

# **CITY OF LINCOLN PARK**

**FIVE YEAR FINANCIAL PROJECTION**

**YEARS ENDING JUNE 30, 2011 THROUGH 2015**

**CITY OF LINCOLN PARK  
FIVE YEAR FINANCIAL PROJECTION  
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## Independent Accountant's Report

To the Mayor and Members of City Council  
City of Lincoln Park, Michigan

We have compiled the accompanying Schedules of Projected General Fund Expenditures by Type and Schedule of Historical and Projected General Fund Financial Operations for the City of Lincoln Park's General Fund for the years ended June 30, 2011 through 2015, in accordance with attestation standards established by the American Institute of Certified Public Accountants. The accompanying projection was prepared for the purpose of evaluating the impact of financial conditions currently impacting the City. The analysis and development of the financial model will provide the City with the following:

- In-depth estimation of future financial conditions
- Financial "framework" from which to evaluate the ongoing financial condition of the City
- A rational basis for identifying areas of greatest concern and devising fiscal strategy
- An automated tool to facilitate the analysis of financial and operational objectives

The schedules do not present all significant financial measures that would be presented in fund financial statements. The presentation does not include a General Fund balance sheet or statement of revenue, expenditures and changes in fund balance (budget and actual). Accordingly, this projected information is not designed for those who are not informed about the City's General Fund financial position and results of operations.

As described in the summary of significant assumptions, management has elected to portray two distinct projected results, rather than as a single point estimate. The City is considering asking the citizens to renew the two special millages. Accordingly, the accompanying projections present two sets of financial results, one with the millage renewals and one without the additional special millages. However, there is no assurance that the actual results will fall within the two sets of ranges presented.

A compilation is limited to presenting in the form of a projected information that is the representation of management and does not include evaluation of the support for the assumptions underlying the projection. We have not examined the projection and, accordingly, do not express an opinion or any other form of assurance on the accompanying schedules or assumptions. Furthermore, there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

We also compiled the accompanying Executive Summary and Appendices and, accordingly, do not express an opinion or any other form of assurance on that information.

To the Mayor and Members of City Council  
City of Lincoln Park, Michigan

The accompanying projected information and this report are intended solely for the information and use of the City of Lincoln Park and are not intended to be and should not be used by anyone other than the City of Lincoln Park.

*Plante & Moran, PLLC*

March 24, 2010

## **EXECUTIVE SUMMARY**

### ***PROJECT BACKGROUND***

Plante & Moran, PLLC was retained by the City of Lincoln Park to compile a five year financial projection for the General Fund.

This is the eighth five year financial projection prepared by the City of Lincoln Park.

### ***PROJECT SCOPE***

The analysis and development of the financial projection will provide the City with the following:

- In-depth estimation of future financial conditions
- Financial “framework” from which to evaluate the ongoing financial condition of the City
- A rational basis for identifying areas of greatest concern and devising fiscal strategy
- An automated tool to facilitate the analysis of financial and operational objectives

To assure a comprehensive evaluation, we collected and evaluated information from a variety of sources. Information was obtained from the following:

- Collection of information from internal sources within the City
- Collection and review of operational, financial, capital, and other applicable information
- Discussions with and data collection from expert sources including governmental representatives and other relevant sources
- Collection and review of information related to legislative initiatives and actions

The projection has been developed using the best available information concerning financial trends and conditions. Changes in economic conditions and regulatory provisions could have a significant impact on the projection. Based upon a review of the above information and discussions with the City Manager’s and Finance Director’s Offices, the projection was developed using certain key assumptions and should not be evaluated without a thorough understanding of the assumptions. The assumptions and the accompanying rationale are documented in the assumption section of this report. These assumptions provide a basis for estimating future year’s revenues and expenditures. The underlying assumptions used in the estimations are likely to change and the costs projected are likely to differ from actual amounts.

### ***UTILIZING THE FINANCIAL PROJECTION***

The financial projection has been developed as an automated spreadsheet program. As such, it provides the City with the ability to test alternative financial scenarios related to both revenues and expenditures.

## **CHALLENGES AHEAD**

As noted above, this projection estimates the City will continue to face extreme challenges that need to be considered when analyzing its financial condition and ability to fund annual expenses as well as capital needs. There continue to be uncertainties related to major revenue sources, most specifically property tax revenue and state shared revenue, that could adversely impact the City's financial condition. The City has already experienced a significant decline in taxable value and could experience further drops. It will be many, many, many years before the City's revenue returns to the level it was at just a couple of years ago.

The City needs to stay focused on the annual structural deficit. State law requires a balanced budget. To achieve meaningful cost savings, it requires a critical look at redefining government operations. Most likely, none of the solutions the City identifies will be popular. The hard truth is that the current level of spending needs to come into line with the City's new revenue reality. This will result in scaled back or eliminated services. The City should continue its process of figuring out how much it will have in revenue, deducting fixed payments and then determining how much is left for wages and fringe benefits. Short of undertaking major consolidation/collaboration efforts, the number of staff that the City is able to employ will link directly to the level of services that can be provided. At this point, services need to be prioritized so personnel resources can be best utilized.

In looking at ways to streamline the City operations even further, the specific focus needs to be on:

- The first step needs to be on defining what an essential service is and determining if this same service is already available to residents by some other means.
- Looking for ways to eliminate overlap or duplication of functions (both internally within the City but also externally, focusing on overlap in services that you provide compared with services the schools, county, state and even private enterprises can provide)
- Investigating different service delivery models – the City cannot afford to provide the same services in the same way.
- Re-structuring government and department services which unavoidably includes reviewing staffing levels and compensation structures. Since “people costs” are 75-80% of the budget, this is a significant area when attempting to live within our means.
- Analyzing all revenue sources to determine if they are set at appropriate levels
- Streamlined processes with enhanced use of technology
- Consolidation/regionalization/collaboration:
  - Do we do something very well and do we have excess capacity due to reduced demand? Could we sell some of this capacity to our neighbors or to the school district? Conversely, should we be getting out of providing a particular service and instead purchase it from someone else?
  - Can we talk to our neighbors, perhaps through DCC initiatives, to identify other services that could be delivered more efficiently through regionalization?

This will require change and change is difficult.

PROPERTY TAXES

Property taxes are the City's main revenue source. In the past couple of years, the market value of property has decreased. However, prior to the latest assessment at December 31, 2009, the taxable value for the City continued to increase, albeit by very small amounts. This is because there was still a "gap" between the taxable value and the state equalized value. Under Proposal A, the taxable value could continue to rise until it reached the state equalized value. With the assessments at December 31, 2009, the City experienced a loss in taxable value of 10.2%. Taxable value decreased from \$793 million to \$712 million. Predictions for 2010 indicate a similar loss for next year and then it is hoped that there will be a gradual evening out of the taxable value.

For an older community, Lincoln Park had still experienced increases in its taxable value, as follows:

Tax year 2003	\$648,169,000	
Tax year 2004	674,398,000	+4.0%
Tax year 2005	716,097,000	+6.2%
Tax year 2006	748,617,000	+4.6%
Tax year 2007	781,028,000	+4.3%
Tax year 2008	792,167,000	+1.4%
Tax year 2009	793,185,000	+0.1%
Tax year 2010	712,274,000	(10.2%)

When discussing property taxes, it should also be noted that in years when Lincoln Park's taxable value increased by more than inflation, the Headlee Amendment required the City to roll-back or reduce its millage rate so that the total taxes collected were not greater than inflation. Lincoln Park's charter maximum for operating mills is 20. However, due to the Headlee Amendment, the maximum the City could levy for operations had been rolled back to 15.5567 mills. The City recently passed two special millages that will bring the total closer to 20 mills, but these levies are only in place through one more tax billing. The millages will be placed on an upcoming ballot for renewal.

One thing to keep in mind is that Proposal A and the Headlee Amendment work together to limit taxes. If and when property values recover, the City will only be able to receive an inflationary increase in their tax base.

STATE SHARED REVENUE

The State budget has been in disarray for many years. The latest projections indicate the State will have a budget shortfall next year of \$1.6 to \$1.7 billion. Revenue sharing to local communities has been severely impacted over the past 10 years as the State oftentimes has looked to the Statutory revenue sharing to balance its own budget rather than passing those dollars along to communities. The total revenue-sharing payments (constitutional and statutory) will be reduced by an overall factor of 11.1 percent for the State's fiscal year that ends September 30, 2010.

The Statewide constitutional portion is expected to decrease based on the January 2010 revenue-estimating conference from \$649 million to \$606 million (about 6 percent). The Statewide statutory portion is to be cut from \$388 million to \$311 million (about 20 percent).

As you can see from the table below, the Constitutional portion must follow the formula set forth in the Constitution and as such, it has remained relatively constant over the past 10 years. However, because the Statutory portion is discretionary, the State can reduce it, as they have done consistently since 2001. In addition, the State could at some point decide to do away with the Statutory revenue sharing altogether, especially if it is not extended, in which case Lincoln Park would lose \$1,934,000 annually.

We encourage City management to continue to budget very conservatively when it comes to revenue sharing because a long-term solution to the State's structural deficit has not yet been identified. The following is a history of revenue sharing payments since 2004:

State Fiscal Year	Statutory	Constitutional	Total
2001	\$3,975,760	\$2,596,206	\$6,571,966
2002	3,704,828	2,622,652	6,327,480
2003	3,380,049	2,667,053	6,047,102
2004	2,796,766	2,638,084	5,434,850
2005	2,674,570	2,701,040	5,375,610
2006	2,568,771	2,747,026	5,315,797
2007	2,467,548	2,689,945	5,157,493
2008	2,377,738	2,779,755	5,157,493
2009	2,377,738	2,621,644	4,999,382
2010 EST	1,933,574	2,512,876	4,446,450

Other challenges related to revenue sharing consist of the following:

- Future of County participation in Statutory Revenue Sharing** In 2004, the State terminated payment of statutory revenue sharing to counties (which was approximately \$182 million) but allowed counties to move their operating tax levy to July from December. Counties are required to deposit the additional monies from the earlier levy into a "reserve fund" which is to be used by the counties to replace lost statutory revenue sharing in future years. The potential impact is that as counties come back into the revenue sharing formula, if the total statutory revenue-sharing pot does not grow accordingly, this will reduce the amount available for cities and townships.
- Statutory Revenue Sharing Formula Expired in 2007** Legislative action is required on this Act for appropriations to continue into the future. Given that revenue sharing was included in the latest State budget, we are assuming that statutory revenue sharing will continue at least through September 2010. With each revenue sharing cut that is made, there are fewer and fewer communities that still receive Statutory revenue sharing. One of the risks is that as more communities fully lose their Statutory portion of revenue sharing, they may be less likely to join in protesting further cuts to the Statutory portion.
- Changes to Michigan's Tax Structure** The Michigan Single Business Tax has been eliminated effective December 31, 2007. In June 2007, a replacement for the Single Business Tax – called the new Michigan Business Tax (MBT)– was approved by the Legislature. In the overview, the plan creates a new tax structure for Michigan businesses, provides further personal property tax relief to business taxpayers and is projected by the State to generate about the same revenue (\$1.9 billion) as the Single Business Tax.

There are many proposals floating around related to repealing the surtax portion of the MBT and/or also instituting a sales tax on services.

It is unclear what the outcome will be regarding the short-term and long-term funding of statutory revenue sharing. Decisions still remain on the ultimate funding level for revenue sharing for the State's fiscal year 2010/2011. Local governments may need to react with mid-year budget amendments when these final decisions are made by the State.

RETIREMENT SYSTEM CONTRIBUTIONS

These legacy costs are becoming increasingly more difficult to cover. The number of retirees is very large compared to the active group. The City has 298 retirees and 141 active employees. Over the past several years, the Police and Fire Retirement and Municipal Employee's Retirement Systems have dealt with very substantial increases in required contributions, mainly as a result of reduced investment earnings due to a very shaky market. As you can see from the chart below, the contribution has increased 200% in the past 10 years. This contribution is becoming an ever increasingly large portion of the overall General Fund budget.

Pension contributions are expected to continue to increase for the next several years to make up for the investment losses. The downturn in the financial markets in recent years has caused a reduction in overall interest earnings. As a result, required contributions to the pension systems have increased to provide the necessary level of funding for retiree benefit payments. Future increases are expected to grow at a reduced rate due to the anticipated costs savings that are expected to be realized by transferring the police portion to MERS.

	Municipal Employees	Police & Fire Employees	Total contribution
2001	\$892,000	\$ 551,000	\$1,443,000
2002	841,000	631,000	1,472,000
2003	833,000	683,000	1,516,000
2004	905,000	834,000	1,739,000
2005	937,000	928,000	1,865,000
2006	1,068,000	1,316,000	2,384,000
2007	1,486,000	1,819,000	3,305,000
2008	1,531,000	2,131,000	3,662,000
2009	1,726,000	2,354,000	4,080,000
2010	1,812,000	2,558,000	4,370,000

HEALTH CARE COSTS

The City expects to reduce healthcare costs for active employees by approximately \$150,000 for Fiscal Year 2011 due to anticipated cost savings from union negotiations. The City's total cost for health care including prescription costs during the year ended June 30, 2009 was approximately \$4,500,000. This includes costs for both current employees and retirees.

	Cost	Number	Cost Per participant
Retiree healthcare/vision/dental premiums	\$ 1,934,000		\$ 6,489
Retiree prescription costs	1,289,000		4,326
Total Retiree insurance costs	\$ 3,223,000	298	\$ 10,815
Active healthcare/vision/dental premiums	\$ 1,138,000		\$ 8,071
Active prescription costs	156,000		1,106
Total active insurance costs	\$ 1,294,000	141	\$ 9,177

Recently the Governmental Accounting Standards Board released Statement Number 45, *Accounting and Reporting by Employers for Post-employment Benefits Other Than Pensions*. The promise to provide health care to retirees is very similar to the promise to provide an annual pension check. The new pronouncement provides guidance for local units of government in recognizing the cost of retiree health care. The new rules will cause the government-wide financial statements to recognize the cost of providing retiree health care coverage over the working life of the employee, rather than at the time the health care premiums are paid. The statement also required the City to have an actuarial valuation to define the liability and the liability is disclosed in the financial statements. In addition, the City's funding status, or the progress it has made in accumulating assets to pay for this liability, is also disclosed. Lastly, the actuary will provide the City with an annual contribution amount that the actuary deems necessary to fund the liability over a 30-year period. The City may choose not to, or may not be able to, make this payment as was the case for the year ended June 30, 2009.

The City had an actuarial valuation performed as of June 30, 2008. This valuation estimated the City's unfunded healthcare liability at \$93 million. The actuary determined that annual contributions of \$5,661,000 would need to be made in order to fully fund this liability over a 30 year period. The City was only able to pay the current monthly premiums which totaled \$3,236,000 for the year. This means that the City is not putting any funds towards paying down this liability.

On a positive note, the City has taken steps to control costs by implementing a new retirement health savings plan for employees hired after December 1, 2004.

### CAPITAL NEEDS

The City continues to have some challenges ahead in terms of financing of capital needs. The City spends only minimal amounts on capital at this point. In fact, annual capital outlay for the entire City was only about \$130,000 for the year ended June 30, 2009 and is budgeted at only \$35,000 for 09/10.

Capital needs which were identified by City personnel as high priority may likely need to be addressed within the next several years. On an annual basis, the amounts for high priority items are as follows:

2010-11	\$ 244,500
2011-12	277,500
2012-13	160,090
2013-14	138,000
2014-15	125,000
<b>Total</b>	<b>\$ 945,090</b>

Also, the City Hall, while still functional, is somewhat outdated and will most likely need a major renovation or replacement at some point in the future. The City should consider when it may become necessary to replace the facility, how much a new facility will likely cost and what the City's financing options are.

During 2000-01, the City established a Capital Projects Fund that currently has \$75,000 of undesignated fund balance. This Fund could be used to either pay outright for some purchases, or to make annual payments under financing agreements. In addition, the City established a Motor Pool Fund that currently has unrestricted net assets of \$666,921. These dollars could also be used to fund some of the needed capital outlay. Given the City's projected financial condition, the City should proceed with caution in this area.

TERMINATION BENEFITS

The City is liable for fairly significant payments of accumulated sick and vacation benefits when staff terminate their employment with the City. Given the more recent early retirement incentive program, much of the City's liability related to termination benefits has already been liquidated. As for the remaining staff, the City is aware of the dates when various staff are eligible to retire; however, their actual retirement could take place several years later. As such, it is difficult to predict the amount of unused accumulated sick and vacation benefits that will be payable in any given year. If eligible terminations were used, the approximate aggregate potential liability to the City based on retirement eligibility dates is as follows:

2009-10	\$ 249,500
2010-11	40,800
2011-12	38,500
<b>Total</b>	<b>\$ 328,800</b>

In addition to normal retirement, staff also leave for other reasons and would be eligible to take a portion of their accumulated benefits with them. The potential payout has not been reflected in the project due to uncertainty of these events and the relatively nominal impact.

The City currently has approximately \$5,000 in the Compensated Absence Fund that can be used to fund the payouts. The Compensated Absences Fund does not currently have enough to cover any large payouts which means these payments would need to come out of the General Fund budget.

## ***PROJECT SUMMARY***

The results of the analysis should be considered within the appropriate context. Essentially, the financial results for future fiscal years should be viewed only as financial estimates, derived from the best available financial information at this particular point in time. Considered in this light, the financial plan provides a benchmark from which to monitor and evaluate ongoing financial trends and results.

For purposes of the General Fund, the level of projected fund balance is typically used as the barometer to measure likely future financial strength. In general, a level fund balance indicates a stable financial condition. A decreasing or negative fund balance indicates a situation whereby the City will have to monitor the financial situation closely in the coming years, it does not indicate a prediction that we believe an actual fund deficit will occur.

In this situation, sound decision making will be required as communities strive to provide high quality service within a changing revenue base. The financial plan, as a “road map” of future events and of potential outcomes, is intended to assist the City of Lincoln Park in the process of developing ongoing strategies for dealing with flat revenue sources, containing costs and assuring ongoing financial stability.

## GENERAL FUND Summary of Significant Projection Assumptions

All projected revenues and expenditures are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized when it is measurable and available. Available is defined as being collected within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when a liability is incurred.

This financial projection presents, to the best of management's knowledge and belief, the City's expected financial position and results of operations of its General Fund for the projection periods. Accordingly, the projection reflects management's judgment as of March 24, 2010, the date of this projection, of the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the projection. There will usually be differences between projected and actual results, because events or circumstances frequently do not occur as expected, and those differences may be material. The comparative historical information for the years ended June 30, 2006 through June 30, 2009 is extracted from the City's financial statements for those years. Those financial statements should be read for additional information.

- Historical data for fiscal years 2006-07, 2007-08 and 2008-09 was taken from the City's audited financial reports.
- Estimates for 2009-10 are based on the current amended budget as adopted by the City Council. In addition, we have included an Adjusted Budget column because we are aware that the property tax revenue and state revenue sharing payments are different from the amounts proposed in the budget. All other amounts in the Adjusted Budget column are the same as the Budget column.
- Estimates for subsequent years were developed using compounding inflation building off of the 2009-10 budget. Exceptions to this method are noted in the specific assumptions on the following pages.
- Annual inflation factors through fiscal years 2011-12 are based upon projections obtained from the United States Congressional Budget Office (CBO). An inflation factor of 2.2 is used for each year. The Consumer Price Index (CPI) decreased in 2009 by 0.2%, but was projected to rise 2.4% in 2010 and 1.3% in 2011. For 2012, 2013, 2014 and 2015, the CPI is expected to increase by 1.2%, 1.1%, 1.3% and 1.7%, respectively. We used a blended rate of 1.2% inflation for years ended June 30, 2011 through 2015.
- Data has been collected and financial estimates have been developed utilizing a number of expert sources including the City Finance Director and various Department Heads, State of Michigan Departments, and other professional sources.

### REVENUE ASSUMPTIONS

Most revenues were increased by the inflation factors outlined in the General Assumptions section of the Executive Summary. **Any assumptions that varied significantly from the General Assumptions are as follows:**

## Property Taxes - Real and personal as well as garbage and rubbish

- Property tax revenue estimates for the 2008-2009 year are based on taxable values and millage rates. For 2009-2010, the property taxes are based on the December 31, 2008 taxable values. For 2010-2011, property taxes are based on the December 31, 2009 taxable values as recently announced by the County, which indicated a decrease of about 10.2%. Oakland County has published estimates of taxable value for 2011 and 2012 at -12.5% and -5% , respectively. Wayne County has not published data that we are aware of. Since Oakland County estimated a decrease of 13% for 2010 and Lincoln Park's actual decrease was 10.2%, we have used 10% for 2011 and 5% for 2012. Assuming the market bottoms out as of 2012, the study uses nominal 2% increases thereafter due to Headlee limitations and the projected CPI.

For Lincoln Park, the projection uses taxable value projections for future years as follows:

Tax year 2010 (revenue for 10-11)	-10.2%
Tax year 2011 (revenue for 11-12)	-10.0%
Tax year 2012 (revenue for 12-13)	- 5.0%
Tax year 2013 (revenue for 13-14)	+2.0%
Tax year 2014 (revenue for 14-15)	+2.0%

The City is currently levying the maximum available millage for operations; therefore, there are no unlevied mills available to use in the future to offset expenditure increases.

In November 2007, the voters of the City passed two dedicated millages, one for police and fire and one for the library. These new levies were first levied on July 1, 2008, which resulted in added revenue for the year ended June 30, 2009. These millages are to be levied for 3 years before they expire. The police and fire millage is 3.4591 mills and the millage for the library is .35 mills. The City is placing renewals for these millages on an upcoming ballot. The study shows the impact on fund balance with and without the renewal.

The City levies millage to cover costs for garbage and rubbish. However, the General Fund has been subsidizing the garbage and rubbish costs because the millage is capped and is not high enough to cover the costs. The General Fund subsidized \$97,000 for 08-09. The City is projects a similar subsidy for FY 09-10 and hopes to limit the subsidy to \$10,000 in future years.

**State Shared Revenue** - When performing a projection, we use State Shared Revenue distribution projections issued by the Senate Fiscal Agency. Given recent developments with revenue sharing, the statutory portion continues to be a target for cuts. Without a Constitutional guarantee, this funding source will always be at risk. We anticipate that statutory revenue sharing will, at best remain flat, and possibly decrease. This financial model will help you assess the impact on fund balance under all the various scenarios that are possible.

The model currently assumes that statutory and constitutional revenue sharing payments in total will decrease by 5% each year. This is based on the historical average reduction per year based on the figures shown on page 6. If the State ultimately decreases the revenue sharing by an average of 5% each year, this would be accomplished by reducing the Statutory (discretionary) portion by whatever percent is necessary to arrive at an overall 5% decrease.

The State cannot impact the Constitutional portion, so any cuts are taken fully from the Statutory portion.

**Cable Television Franchise Fees** - The fee estimates for the 2009-2010 year are based on the current budgeted estimate of \$350,000. This is lower than the amounts collected in 06-07, 07-08 and 08-09, however, due to the recent legislation related to the Cable Franchise fees, we concluded to be conservative and keep estimated revenues flat for the next five years. As you may know, under the new legislation, the City will still receive cable franchise fees. However, as other companies such as AT&T begin to offer cable services, the franchise fee revenue will most likely decrease. This is due to the fact that while the City may still have the same number of subscribers divided among more than one operator, any operator who currently pays the Metro Act fee will be able to deduct this fee from the franchise fees paid to the City. As a result, the franchise fees paid to the City will begin to decrease when these companies get their offerings up and running.

**Fines and Forfeitures - District Court** - Fines and forfeitures for 2010-11 are based on the current budgeted estimate of \$1,450,000 plus 1.2% inflation. The City does NOT plan to subsidize the Court's expenditures currently or in the future. Therefore, District Court expenditures are projected at amounts equal to or less than District Court revenues.

**Library Fines** - Fines and forfeitures for 2010-11 are based on the current budgeted estimate of \$3,750 plus 1.2% inflation.

**Interest** - Interest income is estimated to be \$50,000 each year given the low interest rates and unavailability of large cash balances to invest. In addition, the City collects interest on delinquent taxes. The projection builds off of the budgeted amount of \$115,000 for 09-10 and increases it by 1.2% inflation.

**Rental Inspection** - Rental inspection fees vary from year to year depending on the timing of inspections. Therefore, conclude to increase each year by 1.2% inflation based on revenue from two years prior.

**Building Permits** - The City has little vacant buildable land and, as such, building permit revenue is not expected to increase significantly, if at all. In the projection, building permit revenue is projected to remain at the current budgeted level during the next five years.

**Community Center** - The City is currently leasing the Community Center (ice arena) to an outside management company for \$1 per year. The City does not plan to subsidize the operations of the community center. As a result, the projection assumes that both revenue and expenditures are zero. Please note that for 06-07 and future years, the activity of the community center was reported on a net basis, meaning only the amount paid to the management company was reflected. The City's figures for the two years prior to 06-07 reflect the activity based on the City running the center.

**Other** - Other revenue was projected to increase at 1.2% per year.

## **EXPENDITURE ASSUMPTIONS**

Most expenditures were increased by the inflation factor of 1.2% outlined in the General Assumptions section of the Executive Summary. **Any assumptions that varied significantly from the General Assumptions are as follows:**

**Salary and Wages** - Staffing levels are expected to remain constant. The City has taken steps in recent years to decrease the number of City employees. The total number of employees has decreased from 180 to less than 150.

- **Police and Fire** – Management concluded to show no salary increases for the next five years (0% wage increases) based on union negotiations and/or arbitration. However, there are some employees who are not yet at the full pay scale under the union contracts. As such, they will receive some step increases over the next four years. In the projection, an additional \$10,000 was added annually for these step increases. In the Fire department, an additional \$4,000 was added annually.
- **Other Departments** - Wages are projected at 0% increases.

**Fringe Benefits** - This category includes the costs noted below. These expenditures are estimated at a 4.0 percent inflation rate per year for all years, based on a weighting procedure that considers the expected increases applicable to each cost and the relative dollar amounts associated with each cost. The costs and their expected annual increase are as follows:

Social Security and longevity - 2%  
Vision - 8%  
Life insurance - 8%  
Long-term disability - 2%  
Dental - 15%

**Hospitalization** - The hospitalization line includes only medical premiums for active employees. The employees have a choice of health plans. Health plan costs are expected to decrease by approximately \$150,000 due to cost savings realized through union negotiations.

**Prescriptions** - During 2003, the City entered into a new prescription drug arrangement. As such, costs are not expected to increase as rapidly as they have in the past. Prescription drug increases have been projected at 4% annually.

**Pre-funding of Retiree Healthcare** - Many years ago, the City began setting funds aside to eventually be used to pay for retiree health care premiums. Currently, however, these funds are being used for current year health care premiums for retirees. With the implementation of GASB 45 in FY 2009, the City will be required to record the liability for pre-funding retiree health care. Beginning in 2009, based on actuarial valuations performed as of June 30, 2003, expenditures for the pre-funding of retiree healthcare was estimated at \$2 million for municipal retirees and \$2 million for police and fire retirees. Due to the lack of an updated valuation, the 2003 figures were used. We have prepared this projection assuming this expenditure will be reflected in the City's funds, but we have shown the impact at the bottom of the summary. The impact is the net amount between the \$4 million total cost and the cost that the City is already reflecting within the General Government department. While the City is not required to make the contribution, it will be in the City's best interest to attempt to fund this liability.

**Retiree Health Premiums** - Retiree health care premiums are projected to increase by 5%, which is based on the transfer of the police portion of the pension plan to MERS. Pension costs have increased by nearly 20% in recent years. Future increases are expected to grow at a reduced rate due to the anticipated costs savings with MERS.

## **Retirement Contributions**

**Police and Fire System** - The City's annual required contribution for the 09-10 fiscal year is \$2,558,000 according to the actuarial valuation. Contributions are estimated at 5% increases for subsequent years.

**Municipal Employees System** - The Municipal Employees contribution is meant to cover water and sewer and court employees as well as General Fund employees. The required 09-10 contribution of \$1,812,000 has been allocated to the General Fund in the amount of \$1,074,000, consistent with previous year's allocation of approximately 60% of the cost. Contributions are estimated at 5% increases for subsequent years.

Starting in 07-08, the City has decided to budget for all retirement payments in the General Government function rather than having the costs spread among the departments, including Police and Fire. In the projection, the total retirement contribution is shown under the General Government function.

**Capital Outlay** - With few exceptions, budgeted capital outlay is very minimal. The City does have capital needs, but they have not been budgeted. The Executive Summary includes a discussion related to capital needs for the projected period, along with options for financing. The expenditure estimates are based on capital needs surveys filled out by each department and include both Priority 1 (must have) and 2 (would be nice to have) needs.

**Compensated Absences** - Given the early retirement incentive program from a few years ago, the City's liability for compensated absences decreased significantly. The projection indicates the accumulated benefit for those employees eligible to retire in the next five years.

City of Lincoln Park  
General Fund  
Salaries and Wages Expenditures

	Comparative Historical Information					budget 2009-2010	adjusted budget 2009-2010	Projected Future Operations				
	actual 2004-2005	actual 2005-2006	actual 2006-2007	actual 2007-2008	actual 2008-2009			2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Salaries and Wages	\$ 243,012	\$ 297,017	\$ 293,787	\$ 298,500	\$ 298,340	\$ 226,562	\$ 229,652	\$ 229,652	\$ 229,652	\$ 229,652	\$ 229,652	\$ 229,652
City Assessor	65,981	76,046	73,390	73,775	73,154	72,626	74,726	74,726	74,726	74,726	74,726	74,726
City Attorney	11,180	-	-	-	-	-	-	-	-	-	-	-
City Clerk	124,087	141,514	137,721	137,271	137,088	137,058	137,058	137,058	137,058	137,058	137,058	137,058
City Finance Department	203,222	228,507	180,896	184,497	184,581	180,065	180,065	180,065	180,065	180,065	180,065	180,065
City Manager	-	287,366	266,668	246,317	247,236	229,260	229,260	229,260	229,260	229,260	229,260	229,260
Civil defense	20,295	-	-	-	-	-	-	-	-	-	-	-
Community Center	170,859	163,428	273,965	-	91,397	-	-	-	-	-	-	-
Community Development	-	-	-	11,400	10,812	9,183	9,183	9,183	9,183	9,183	9,183	9,183
Department of Public Works	362,881	103,334	25,191	-	-	-	-	-	-	-	-	-
Election Commission	29,649	32,639	104,206	-	-	-	-	-	-	-	-	-
Fire	2,697,076	2,619,440	2,6232	34,260	31,521	32,850	32,850	32,850	32,850	32,850	32,850	32,850
General government	(257,326)	49,025	2,530,712	2,461,350	2,548,928	2,539,476	2,566,667	2,566,667	2,570,667	2,574,667	2,578,667	2,578,667
Kennedy Memorial Building	25,470	-	64,793	2,750	30,889	67,000	69,400	69,400	69,400	69,400	69,400	69,400
Library	3,287	5,073	6,336	(205)	2,060	-	-	-	-	-	-	-
Mayor and Council	177,821	65,403	63,000	63,150	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000
Motor pool	204,018	1,606	-	-	-	-	-	-	-	-	-	-
Municipal building	195,987	177,312	141,866	114,810	131,540	91,652	92,531	92,531	92,531	92,531	92,531	92,531
Parks Maintenance	132,045	230,025	226,334	213,025	160,118	50,926	50,926	50,926	50,926	50,926	50,926	50,926
Personnel and Purchasing	4,521,096	3,977,391	4,164,013	4,136,528	4,133,888	4,136,080	4,137,580	4,137,580	4,137,580	4,137,580	4,137,580	4,137,580
Police	179,402	296,722	270,814	212,659	189,545	206,204	167,604	167,604	167,604	167,604	167,604	167,604
Recreation	37,822	-	-	-	-	-	-	-	-	-	-	-
Rental inspection	73,174	-	-	-	-	-	-	-	-	-	-	-
Senior citizens	160,254	184,080	158,303	136,129	138,646	74,476	97,488	97,488	97,488	97,488	97,488	97,488
Treasury Department	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Salaries and Wages</b>	<b>\$ 9,381,292</b>	<b>\$ 8,935,948</b>	<b>\$ 9,008,227</b>	<b>\$ 8,326,216</b>	<b>\$ 8,472,743</b>	<b>\$ 8,116,418</b>	<b>\$ 8,133,990</b>	<b>\$ 8,147,990</b>	<b>\$ 8,161,990</b>	<b>\$ 8,175,990</b>	<b>\$ 8,189,990</b>	<b>\$ 8,189,990</b>

See accompanying Summary of Significant Projection Assumptions.

City of Lincoln Park  
General Fund  
Fringe Benefits Expenditures

	actual		budget		Projected Future Operations				
	2007-2008	2008-2009	2009-2010	adjusted budget 2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Building department	\$ 37,627	\$ 39,522	\$ 30,254	\$ 28,577	\$ 29,720	\$ 30,909	\$ 32,145	\$ 33,431	\$ 34,768
City Assessor	8,098	8,168	8,298	7,723	8,032	8,353	8,687	9,035	9,396
City Attorney	-	-	-	-	-	-	-	-	-
City Clerk	17,749	18,153	16,490	16,465	17,124	17,809	18,521	19,262	20,032
City Finance Department	22,555	24,327	23,705	23,705	24,653	25,639	26,665	27,731	28,841
City Manager	24,027	25,596	29,872	29,872	31,067	32,310	33,602	34,946	36,344
Civil Defense	-	-	-	-	-	-	-	-	-
Community Center	-	10,454	-	-	-	-	-	-	-
Community Development	1,265	1,125	1,243	1,243	1,293	1,344	1,398	1,454	1,512
Department of Public Works	-	35	-	-	-	-	-	-	-
Election Commission	20	130	1,026	1,222	1,271	1,322	1,375	1,430	1,487
Fire	143,236	121,083	166,871	164,841	171,435	178,292	185,424	192,841	200,554
General Government	-	2,681	-	-	-	-	-	-	-
Kennedy Memorial Building	-	-	-	-	-	-	-	-	-
Library	4	158	-	-	-	-	-	-	-
Mayor and Council	4,831	4,820	4,917	4,917	5,114	5,318	5,531	5,752	5,982
Motor pool	-	-	-	-	-	-	-	-	-
Municipal building	12,686	14,517	15,863	15,863	16,498	17,157	17,844	18,557	19,300
Parks Maintenance	27,493	22,250	8,103	10,746	11,176	11,623	12,088	12,571	13,074
Personnel and Purchasing	-	-	-	-	-	-	-	-	-
Police	264,081	253,623	257,871	260,906	271,342	282,196	293,484	305,223	317,432
Recreation	23,143	21,557	26,271	26,271	27,322	28,415	29,551	30,733	31,963
Rental inspection	-	-	-	-	-	-	-	-	-
Senior citizens	-	-	-	-	-	-	-	-	-
Treasury Department	16,491	17,306	9,553	10,658	11,084	11,528	11,989	12,468	12,967
<b>Total Benefits - Other</b>	<b>\$ 603,306</b>	<b>\$ 585,505</b>	<b>\$ 600,337</b>	<b>\$ 603,009</b>	<b>\$ 627,129</b>	<b>\$ 652,215</b>	<b>\$ 678,303</b>	<b>\$ 705,435</b>	<b>\$ 733,653</b>

Projection Assumptions

4.00% 4.00% 4.00% 4.00% 4.00%

See accompanying Summary of Significant Projection Assumptions.

City of Lincoln Park  
General Fund  
Hospitalization Expenditures

	actual		budget		adjusted budget		Projected Future Operations					
	2007-2008	2008-2009	2009-2010	2009-2010	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015		
Building department	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
City Assessor	13,321	10,837	12,248	12,248	12,248	12,860	13,503	14,179	14,888	15,632		
City Attorney	-	-	-	-	-	-	-	-	-	-		
City Clerk	4,560	13,063	14,904	14,904	14,904	15,649	16,432	17,253	18,116	19,022		
City Finance Department	25,273	32,410	41,042	41,042	41,042	43,094	45,249	47,511	49,887	52,381		
City Manager	33,439	30,888	30,027	30,027	30,027	31,528	33,105	34,760	36,498	38,323		
Civil defense	-	-	-	-	-	-	-	-	-	-		
Community Center	-	-	-	-	-	-	-	-	-	-		
Community Development	1,959	2,167	1,948	1,948	1,948	2,045	2,148	2,255	2,368	2,486		
Department of Public Works	-	-	-	-	-	-	-	-	-	-		
Election Commission	2	1,062	-	-	-	-	-	-	-	-		
Fire	293,068	329,539	358,853	358,853	358,853	376,796	395,635	415,417	436,188	457,997		
General government	-	54,873	-	-	-	-	-	-	-	-		
Kennedy Memorial Building	-	-	-	-	-	-	-	-	-	-		
Library	-	-	-	-	-	-	-	-	-	-		
Mayor and Council	-	-	-	-	-	-	-	-	-	-		
Motor pool	-	-	-	-	-	-	-	-	-	-		
Municipal building	16,816	25,494	25,005	25,005	25,005	26,255	27,568	28,946	30,394	31,913		
Parks Maintenance	26,685	15,189	12,248	12,248	12,248	12,860	13,503	14,179	14,888	15,632		
Personnel and Purchasing	-	-	-	-	-	-	-	-	-	-		
Police	534,845	551,010	621,864	621,864	621,864	485,054	489,904	494,804	499,752	504,749		
Recreation	3,780	2,460	3,360	3,360	3,360	3,528	3,704	3,890	4,084	4,288		
Rental inspection	-	-	-	-	-	-	-	-	-	-		
Senior citizens	-	-	-	-	-	-	-	-	-	-		
Social services	-	-	-	-	-	-	-	-	-	-		
Treasury Department	20,241	20,957	18,376	18,376	18,376	19,295	20,260	21,273	22,336	23,453		
<b>Total Benefits - Other</b>	<b>\$ 1,014,640</b>	<b>\$ 1,137,801</b>	<b>\$ 1,168,362</b>	<b>\$ 1,168,362</b>	<b>\$ 1,168,362</b>	<b>\$ 1,058,877</b>	<b>\$ 1,092,419</b>	<b>\$ 1,127,443</b>	<b>\$ 1,164,023</b>	<b>\$ 1,202,234</b>		

See accompanying Summary of Significant Projection Assumptions.

City of Lincoln Park  
General Fund  
Prescriptions

	actual		actual	budget		adjusted budget		Projected Future Operations				
	2007-2008	2008-2009		2009-2010	2009-2010	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	
Building department	\$ 1,965	\$ 501	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,120	\$ 3,245	\$ 3,375	\$ 3,510	\$ 3,650		
City Assessor	2,591	609	1,100	750	844	780	811	844	877	912		
City Attorney	-	-	-	-	-	-	-	-	-	-		
City Clerk	-	518	1,000	1,000	-	1,040	1,082	1,125	1,170	1,217		
City Finance Department	510	178	1,500	1,500	1,687	1,560	1,622	1,687	1,755	1,825		
City Manager	520	518	1,500	1,500	1,687	1,560	1,622	1,687	1,755	1,825		
Civil defense	-	-	-	-	-	-	-	-	-	-		
Community Center	-	-	-	-	-	-	-	-	-	-		
Community Development	3,406	3,622	1,500	1,500	1,687	1,560	1,622	1,687	1,755	1,825		
Department of Public Works	-	-	-	-	-	-	-	-	-	-		
Election Commission	-	-	-	-	-	-	-	-	-	-		
Fire	31,760	5,209	31,500	31,500	35,433	32,760	34,070	35,433	36,851	38,325		
General government	1,044,060	1,392,076	1,109,794	1,089,000	1,224,977	1,132,560	1,177,862	1,224,977	1,273,976	1,324,935		
Kennedy Memorial Building	-	-	-	-	-	-	-	-	-	-		
Library	-	-	-	-	-	-	-	-	-	-		
Mayor and Council	-	-	-	-	-	-	-	-	-	-		
Motor pool	-	-	-	-	-	-	-	-	-	-		
Municipal building	1,006	1,062	2,500	2,500	2,812	2,600	2,704	2,812	2,925	3,042		
Parks Maintenance	2,769	485	2,000	2,000	2,250	2,080	2,163	2,250	2,340	2,433		
Personnel and Purchasing	-	-	-	-	-	-	-	-	-	-		
Police	16,788	38,026	55,000	45,000	50,619	46,800	48,672	50,619	52,644	54,749		
Recreation	-	-	2,000	2,000	2,250	2,080	2,163	2,250	2,340	2,433		
Rental inspection	-	-	-	-	-	-	-	-	-	-		
Senior citizens	-	-	-	-	-	-	-	-	-	-		
Social services	-	-	-	-	-	-	-	-	-	-		
Treasury Department	7,970	1,893	3,000	3,000	3,375	3,120	3,245	3,375	3,510	3,650		
<b>Total Prescriptions</b>	<b>\$ 1,113,345</b>	<b>\$ 1,444,697</b>	<b>\$ 1,215,394</b>	<b>\$ 1,184,250</b>	<b>\$ 1,332,120</b>	<b>\$ 1,231,620</b>	<b>\$ 1,280,885</b>	<b>\$ 1,332,120</b>	<b>\$ 1,385,405</b>	<b>\$ 1,440,821</b>		

See accompanying Summary of Significant Projection Assumptions.

City of Lincoln Park  
 General Fund  
 Retiree Health Premium

	Comparative Historical Information				budget 2009-2010	adjusted budget 2009-2010	Projected Future Operations			
	actual 2004-2005	actual 2005-2006	actual 2006-2007	actual 2007-2008			actual 2008-2009	2010-2011	2011-2012	2012-2013
Fire	\$ 303,538	\$ 380,112	\$ 366,989		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General government	469,018	557,939	95,873	2,055,046	2,189,515	2,117,476	2,451,243	2,451,243	2,573,805	2,702,496
Police	588,638	716,002	680,396	1,934,073	-	-	-	-	-	-
<b>Total Retiree Health Premiums</b>	<b>\$ 1,361,194</b>	<b>\$ 1,654,053</b>	<b>\$ 1,143,258</b>		<b>\$ 2,189,515</b>	<b>\$ 2,117,476</b>	<b>\$ 2,451,243</b>	<b>\$ 2,451,243</b>	<b>\$ 2,573,805</b>	<b>\$ 2,702,496</b>

Note in the 2007/2008 budget the City does not distinguish between ME and P&F to be paid out of the general government account.

**Additional cost to pre-fund retiree health care in accordance with GASB statements 43 and 45, based on \$4,000,000 total:**

Additional cost	\$ 1,776,650	\$ 1,865,483	\$ 1,958,757	\$ 2,056,695	\$ 2,159,529
Total cost	\$ 4,000,000	\$ 4,200,000	\$ 4,410,000	\$ 4,630,500	\$ 4,862,023

City of Lincoln Park  
General Fund  
Retirement Expenditures

	actual		budget	adjusted budget	Projected Future Operations							
	2007-2008	2008-2009			2009-2010	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	
Building department	\$											
City Assessor		10,244										
City Attorney												
City Clerk												
City Finance Department		2,667										
City Manager												
Civil defense												
Community Center												
Community Development												
Department of Public Works												
Election Commission												
Fire *												
General government												
Kennedy Memorial Building												
Library												
Mayor and Council												
Motor pool												
Municipal building												
Municipal Employees	931,648	983,271	1,074,408	1,074,408	1,128,128	1,184,535	1,243,762	1,305,950	1,371,247			
Parks Maintenance	12	16										
Personnel and Purchasing												
Police *		7,386										
Police and Fire	2,131,438	2,344,600	2,557,853	2,557,853	2,685,746	2,820,033	2,961,035	3,109,086	3,264,541			
Recreation		2,670										
Rental inspection												
Senior citizens												
Treasury Department												
<b>Total Retirement</b>	<b>\$ 3,063,098</b>	<b>\$ 3,350,854</b>	<b>\$ 3,632,261</b>	<b>\$ 3,632,261</b>	<b>\$ 3,813,874</b>	<b>\$ 4,004,568</b>	<b>\$ 4,204,796</b>	<b>\$ 4,415,036</b>	<b>\$ 4,635,788</b>			

\*Note - In the 2009/2010 budget, the City only distinguishes between ME and P&F to be paid out of the general government account vs. spreading to all departments.

City of Lincoln Park  
General Fund  
Capital Outlay Expenditures

	actual		budget 2009-2010	adjusted budget 2009-2010	Projected Future Operations				
	2007-2008	2008-2009			2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Building department	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City Assessor	-	-	-	-	-	-	-	-	-
City Attorney	-	-	-	-	-	-	-	-	-
City Clerk	-	-	-	-	-	-	-	-	-
City Finance Department	-	-	-	-	-	-	-	-	-
City Manager	-	-	-	-	-	-	-	-	-
Civil defense	-	-	-	-	-	-	-	-	-
Community Center	-	-	-	-	-	-	-	-	-
Department of Public Works	-	-	-	-	-	-	-	-	-
Election Commission	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	7,500	48,167	-	-	-
General government	-	-	-	-	42,000	-	-	-	-
Kennedy Memorial Building	-	-	-	-	68,000	78,000	68,000	68,000	55,000
Library	-	-	-	-	-	-	-	-	-
Mayor and Council	-	-	-	-	-	-	-	-	-
Motor pool	-	-	-	-	-	-	-	-	-
Municipal building	-	105,843	34,840	34,840	-	-	-	-	-
Parks Maintenance	-	-	-	-	-	-	-	-	-
Personnel and Purchasing	-	-	-	-	-	-	-	-	-
Police	-	2,692	-	-	70,000	110,667	70,000	70,000	70,000
Recreation	-	22,914	-	-	-	40,667	-	-	-
Rental inspection	-	-	-	-	-	-	-	-	-
Senior citizens	-	-	-	-	-	-	-	-	-
Social services	-	-	-	-	-	-	-	-	-
Treasury Department	-	-	-	-	-	-	-	-	-
<b>Total Capital Outlay</b>	<b>\$ -</b>	<b>\$ 131,449</b>	<b>\$ 34,840</b>	<b>\$ 34,840</b>	<b>\$ 187,500</b>	<b>\$ 277,501</b>	<b>\$ 160,090</b>	<b>\$ 138,000</b>	<b>\$ 125,000</b>

See accompanying Summary of Significant Projection Assumptions.

City of Lincoln Park  
General Fund  
Other Expenditures

	Comparative Historical Information				budget	adjusted budget	Projected Future Operations						
	actual		actual				2009-2010	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
	2006-2007	2007-2008	2008-2009	2008-2009			2009-2010	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Building department	\$ 131,137	\$ 147,714	\$ 133,997	\$ 130,752	\$ 131,282	\$ 132,857	\$ 134,452	\$ 136,065	\$ 137,698	\$ 139,350			
City Assessor	26,714	27,362	23,243	22,032	22,032	22,296	22,564	22,835	23,109	23,386			
City Attorney	185,386	261,107	278,362	198,700	233,700	236,504	239,342	242,215	245,121	248,063			
City Clerk	42,015	21,371	19,139	31,637	31,677	32,057	32,442	32,831	33,225	33,624			
City Finance Department	29,069	24,432	28,616	35,933	37,987	38,443	38,904	39,371	39,843	40,322			
City Manager	38,091	28,540	19,141	28,950	30,150	30,512	30,878	31,248	31,623	32,003			
City Defense	31,349	-	-	-	-	-	-	-	-	-			
Community and Economic Development	53,439	1,640	1,635	2,951	2,951	2,986	3,022	3,059	3,095	3,132			
Community Center	146,932	433,100	148,989	-	37,246	37,693	38,145	38,603	39,066	39,535			
Department of Public Works	316,914	175,885	82,939	82,939	82,939	83,934	84,941	85,961	86,992	88,036			
District Court	1,197,498	1,411,930	1,442,845	1,342,845	1,342,845	1,358,959	1,375,267	1,391,770	1,408,471	1,425,373			
Election Commission	4,369	25,139	15,477	26,350	26,650	26,970	27,293	27,621	27,952	28,288			
Fire	682,576	560,120	399,103	391,186	391,186	395,880	400,631	405,438	410,304	415,227			
General Government	211,529	573,352	824,284	1,153,634	1,185,650	1,199,878	1,214,276	1,228,848	1,243,594	1,258,517			
Historical Museum	17,000	17,000	17,000	17,000	17,000	17,204	17,410	17,619	17,831	18,045			
Kennedy Memorial Building	-	-	-	-	-	-	-	-	-	-			
Library	405,077	115,272	245,543	270,898	272,721	275,994	279,306	282,657	286,049	289,482			
Mayor and Council	8,589	9,418	7,102	10,450	10,450	10,575	10,702	10,831	10,961	11,092			
Motor pool	-	-	-	-	-	-	-	-	-	-			
Municipal building	668,604	1,012,431	932,109	944,004	944,004	955,332	966,796	978,398	990,138	1,002,020			
Parks Maintenance	120,833	113,676	128,930	109,291	121,531	122,989	124,465	125,959	127,470	129,000			
Personnel and Purchasing	-	-	-	-	-	-	-	-	-	-			
Planning Commission	-	12,653	15,274	13,000	13,000	13,156	13,314	13,474	13,635	13,799			
Police	659,486	880,932	773,667	761,753	761,753	770,894	780,145	789,507	798,981	808,568			
Recreation	137,075	132,922	127,828	153,861	154,076	155,925	157,796	159,690	161,606	163,545			
Rental Inspection	-	-	-	-	-	-	-	-	-	-			
Sanitation	-	-	-	-	-	-	-	-	-	-			
Senior citizens	-	-	-	-	-	-	-	-	-	-			
Sidewalks	-	-	-	-	-	-	-	-	-	-			
Social services	177,856	221,675	115,136	162,225	162,225	164,172	166,142	168,135	170,153	172,195			
Street lighting	467,500	461,803	464,751	484,893	484,893	490,712	496,600	502,559	508,590	514,693			
Treasury Department	23,330	22,338	23,112	21,236	21,236	21,491	21,749	22,010	22,274	22,541			
<b>Total other</b>	<b>\$ 5,782,368</b>	<b>\$ 6,717,527</b>	<b>\$ 6,361,168</b>	<b>\$ 6,396,520</b>	<b>\$ 6,519,184</b>	<b>\$ 6,597,414</b>	<b>\$ 6,676,583</b>	<b>\$ 6,756,702</b>	<b>\$ 6,837,783</b>	<b>\$ 6,919,836</b>			

See accompanying Summary of Significant Projection Assumptions.

City of Lincoln Park  
General Fund

Historical and Projected Financial Operations

	Historical Data				Future Projected Data							
	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	adjusted budget 2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
<b>Revenue</b>												
<b>Property Taxes</b>												
Operating millage - 15.5209 mills	10,608,823	10,871,821	11,351,398	12,007,098	11,992,833	14,677,719	12,093,650	10,853,362	9,748,026	9,279,625	9,465,217	9,654,521
Police and Fire millage - 3.4591 mills	-	-	-	-	2,672,810	-	2,695,278	2,418,839	-	-	-	-
Library millage - .35 mills	-	-	-	-	270,441	-	272,715	244,746	-	-	-	-
Property tax administrative fee	377,872	393,346	379,812	407,128	433,306	400,582	399,082	359,500	323,550	307,372	313,520	319,790
Garbage and rubbish - now in own fund	1,595,125	19,853	117,233	108,271	92,327	87,500	87,500	87,500	87,500	87,500	87,500	87,500
Payments in lieu of taxes	12,581,820	11,294,020	11,848,443	12,522,497	15,461,717	15,165,801	15,548,225	13,963,966	10,179,075	9,674,497	9,866,237	10,061,811
<b>Total property taxes</b>	48,435	14,646	-	-	-	-	-	-	-	-	-	-
<b>Federal Sources</b>												
Revenue sharing:												
Constitutional	2,701,040	2,747,026	2,689,945	2,779,755	2,621,644	2,286,453	2,512,876	2,512,876	2,512,876	2,512,876	2,512,876	2,512,876
Statutory	2,674,570	2,568,771	2,467,548	2,377,738	2,377,738	2,097,416	1,933,574	1,711,252	1,500,045	1,299,399	1,108,785	927,702
State grants	122,784	117,492	156,869	209,495	237,420	90,998	90,998	92,090	93,195	94,313	95,445	96,590
Liquor license fees	21,507	23,616	21,835	23,976	22,074	24,000	24,000	24,288	24,579	24,874	25,173	25,475
<b>Total state sources</b>	5,519,901	5,456,905	5,334,197	5,390,964	5,258,876	4,498,867	4,561,448	4,340,505	4,130,696	3,931,463	3,742,279	3,562,644
<b>Charges for Services</b>												
Building, electrical, heating and plumbing permits	543,942	658,027	580,521	669,365	661,788	555,773	555,773	555,773	555,773	555,773	555,773	555,773
Recreation programs	117,334	180,440	194,476	174,412	148,213	183,000	183,000	185,196	187,416	189,667	191,943	194,247
Motor pool rentals - now in own fund	726,094	371,277	392,608	435,724	439,736	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Cable television franchise fee	358,924	83,095	155,302	150,827	109,810	-	-	-	-	-	-	-
Rental and inspection	121,310	122,112	122,112	122,112	122,112	-	-	-	-	-	-	-
Composting - now part of Solid Waste Fund	358,811	453,609	42,424	17,939	151,179	-	-	-	-	-	-	-
Community center fees	2,348,527	1,746,448	1,367,331	1,448,267	1,510,226	1,088,773	1,088,773	1,090,969	1,093,191	1,095,440	1,097,716	1,100,020
<b>Total charges for services</b>	1,283,478	1,465,272	1,530,603	1,264,190	1,422,936	1,450,000	1,450,000	1,467,400	1,485,009	1,502,829	1,520,863	1,539,113
<b>Fines and Forfeitures - Courts and Drug</b>												
Library Fines	2,967	3,519	4,461	3,998	5,153	3,750	3,750	3,795	3,841	3,887	3,933	3,980
Interest - delinquent tax	98,069	172,327	206,137	237,532	305,747	115,000	115,000	116,380	117,777	119,190	120,620	122,068
Interest - investments	87,580	226,811	192,357	293,853	28,018	50,000	5,000	50,000	50,000	50,000	50,000	50,000
Contribution from Retiree Health Care Fund for prescriptions - final year	-	1,114,432	1,338,969	1,399,568	-	-	-	-	-	-	-	-
Transfer in from other funds	-	107,934	-	-	-	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Other (see breakout below)	464,499	687,400	996,226	1,307,931	961,848	945,456	945,456	956,801	969,283	979,902	991,661	1,003,561
<b>Total Revenue</b>	22,435,226	22,265,068	22,820,724	23,868,820	24,954,521	23,352,647	23,752,652	22,024,817	18,062,871	17,392,208	17,428,310	17,478,197
<b>Expenditures</b>												
<b>General Government</b>												
<b>Mayor and Council</b>												
Salaries and Wages	177,821	65,423	63,000	63,150	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000
Fringe Benefits - Other	13,989	5,005	4,820	4,831	4,820	4,917	4,917	5,114	5,318	5,531	5,752	5,982
Hospital	4,501	-	-	-	-	-	-	-	-	-	-	-
Prescriptions	108	-	-	-	-	-	-	-	-	-	-	-
Retirement	4,270	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	30,793	11,298	8,589	9,418	7,102	10,450	10,450	10,575	10,702	10,831	10,961	11,092
Other	231,482	81,726	76,409	77,399	74,922	78,367	78,367	78,689	79,021	79,362	79,713	80,075
<b>Total Mayor and Council</b>	307,963	166,452	156,638	165,618	159,844	166,714	166,714	167,186	168,343	169,724	171,426	173,147

City of Lincoln Park  
General Fund  
Historical and Projected Financial Operations

	Historical Data					Future Projected Data						
	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
<b>City Manager</b>												
Salaries and Wages	\$ -	\$ 287,366	\$ 266,668	\$ 246,317	\$ 247,236	\$ 229,260	\$ 229,652	\$ 229,260	\$ 229,260	\$ 229,260	\$ 229,260	\$ 229,260
Fringe Benefits - Other	-	27,821	27,169	24,027	25,596	29,872	29,872	31,067	32,310	33,602	34,946	36,344
Hospital	-	23,165	32,947	33,439	30,888	30,027	30,027	31,528	33,105	34,760	36,498	38,323
Prescriptions	-	-	-	520	518	1,500	1,500	1,560	1,622	1,687	1,755	1,825
Retirement	-	37,027	44,915	-	-	-	-	-	-	-	-	-
Capital Outlay	-	32,087	38,091	28,540	19,141	28,950	30,150	30,512	30,878	31,248	31,623	32,003
Other	-	407,466	409,790	332,843	323,379	319,609	321,201	323,927	327,175	330,558	334,082	337,755
<b>Total City Manager</b>												
<b>City Clerk</b>												
Salaries and Wages	124,087	141,514	137,721	137,271	137,088	137,058	137,058	137,058	137,058	137,058	137,058	137,058
Fringe Benefits - Other	16,561	20,492	19,998	17,749	18,153	16,490	16,465	17,124	17,809	18,521	19,262	20,032
Hospital	9,583	4,560	4,560	4,560	13,063	14,904	14,904	15,649	16,432	17,253	18,116	19,022
Prescriptions	16,565	2,769	80	-	518	500	500	-	-	-	-	-
Retirement	14,090	23,168	28,882	-	-	-	-	-	-	-	-	-
Capital Outlay	13,746	31,379	42,015	21,371	19,139	31,637	31,677	32,057	32,442	32,831	33,225	33,624
Other	194,632	223,882	233,256	180,951	187,961	200,089	200,604	201,888	203,740	205,663	207,661	209,736
<b>Total City Clerk</b>												
<b>Election Commission</b>												
Salaries and Wages	29,649	32,639	26,232	34,260	31,521	32,850	32,850	32,850	32,850	32,850	32,850	32,850
Fringe Benefits - Other	692	1,162	169	20	130	1,026	1,222	1,271	1,322	1,375	1,430	1,487
Hospital	-	428	91	2	1,062	-	-	-	-	-	-	-
Prescriptions	-	-	-	-	-	-	-	-	-	-	-	-
Retirement	3,199	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	19,415	18,017	4,369	25,139	15,477	26,350	26,650	26,970	27,293	27,621	27,952	28,288
Other	52,955	52,246	30,861	59,421	48,190	60,226	60,722	61,091	61,465	61,846	62,232	62,625
<b>Total Election Commission</b>												
<b>City Assessor</b>												
Salaries and Wages	65,981	76,046	73,390	73,775	73,154	74,726	74,726	74,726	74,726	74,726	74,726	74,726
Fringe Benefits - Other	9,140	8,098	8,601	8,098	8,298	8,032	8,335	8,687	9,035	9,396	9,757	10,118
Hospital	8,837	9,301	10,551	13,321	10,837	12,248	12,448	12,860	13,503	14,179	14,888	15,632
Prescriptions	756	620	3,712	2,591	609	750	750	780	811	844	877	912
Retirement	5,480	9,148	12,282	-	-	-	-	-	-	-	-	-
Capital Outlay	18,528	28,135	26,714	27,362	23,243	22,032	22,032	22,296	22,564	22,835	23,109	23,386
Other	106,558	132,390	135,250	125,147	116,011	116,304	117,479	118,695	119,958	121,270	122,634	124,053
<b>Total City Assessor</b>												
<b>City Attorney</b>												
Salaries and Wages	11,180	-	-	-	-	-	-	-	-	-	-	-
Fringe Benefits - Other	1,076	-	-	-	-	-	-	-	-	-	-	-
Hospital	6,596	-	-	-	-	-	-	-	-	-	-	-
Prescription	1,422	-	-	-	-	-	-	-	-	-	-	-
Retirement	3,890	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	91,442	145,801	185,386	261,107	278,362	198,700	233,700	236,504	239,342	242,215	245,121	248,063
Other	115,606	145,801	185,386	261,107	278,362	198,700	233,700	236,504	239,342	242,215	245,121	248,063
<b>Total City Attorney</b>												
<b>City Finance Director</b>												
Salaries and Wages	203,222	228,507	180,896	184,497	184,581	180,065	180,065	180,065	180,065	180,065	180,065	180,065
Fringe Benefits - Other	31,273	48,934	28,704	22,555	24,327	23,705	23,705	24,633	25,639	26,665	27,731	28,841
Hospital	31,351	32,079	26,047	25,273	32,410	41,042	41,042	43,094	45,249	47,511	49,887	52,381
Prescriptions	1,396	2,069	295	510	178	1,500	1,500	1,560	1,622	1,687	1,755	1,825
Retirement	39,360	40,053	27,756	-	2,667	-	-	-	-	-	-	-
Capital Outlay	15,041	18,602	29,069	24,432	28,616	35,933	37,987	38,443	38,904	39,371	39,843	40,322
Other	321,643	370,244	292,167	257,267	272,779	282,245	284,299	287,815	291,480	295,299	299,282	303,433
<b>Total City Finance Director</b>												

See accompanying Summary of Significant Projection Assumptions.

City of Lincoln Park  
General Fund  
Historical and Projected Financial Operations

	Historical Data					Future Projected Data						
	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	adjusted budget	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
<b>Personnel and Purchasing</b>												
Salaries and Wages	132,045	-	-	-	-	-	-	-	-	-	-	-
Fringe Benefits - Other	16,056	-	-	-	-	-	-	-	-	-	-	-
Hospital	13,685	-	-	-	-	-	-	-	-	-	-	-
Prescriptions	4,168	-	-	-	-	-	-	-	-	-	-	-
Retirement	26,190	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	61,027	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Personnel and Purchasing</b>	253,171	-	-	-	-	-	-	-	-	-	-	-
<b>Treasury Department</b>												
Salaries and Wages	160,254	184,080	158,303	136,129	138,646	74,476	97,488	97,488	97,488	97,488	97,488	97,488
Fringe Benefits - Other	20,806	23,671	22,636	16,491	17,306	9,553	11,084	11,528	11,528	11,528	11,528	11,528
Hospital	23,646	23,774	24,166	20,241	20,957	18,376	18,376	19,295	20,260	22,373	22,336	22,967
Prescriptions	9,138	7,110	6,934	7,970	1,893	3,000	3,000	3,120	3,245	3,375	3,510	3,650
Retirement	36,300	42,844	53,623	-	-	-	-	-	-	-	-	-
Capital Outlay	7,197	16,310	23,330	22,338	23,112	21,236	21,236	21,491	21,749	22,010	22,274	22,541
Other	6,506	-	-	-	-	-	-	-	-	-	-	-
<b>Total Treasury Department</b>	263,847	297,789	289,192	203,169	201,914	126,641	150,758	152,478	154,269	156,134	158,076	160,099
<b>Municipal Building</b>												
Salaries and Wages	-	177,312	141,866	114,810	131,540	91,652	92,531	92,531	92,531	92,531	92,531	92,531
Fringe Benefits - Other	2,010	24,393	21,224	12,686	14,517	15,863	15,863	16,498	17,157	17,844	18,557	19,300
Hospital	1,184	22,271	19,014	16,816	25,494	25,005	25,005	26,255	27,568	28,946	30,394	31,913
Prescriptions	1,730	7,503	3,271	1,006	1,062	2,500	2,500	2,600	2,704	2,812	2,925	3,042
Retirement	6,290	28,260	45,921	-	-	-	-	-	-	-	-	-
Capital Outlay	107,665	53,016	668,604	1,012,431	1,05,843	34,840	34,840	955,332	966,796	978,398	990,138	1,002,020
Other - now includes utilities	118,879	937,069	899,900	1,157,749	1,210,565	1,113,864	1,114,743	1,093,216	1,106,756	1,120,531	1,134,545	1,148,806
<b>Total Municipal Building</b>	37,822	4,877	-	-	-	-	-	-	-	-	-	-
<b>Rental Inspection - moved to Building Department</b>												
Salaries and Wages	8,390	-	-	-	-	-	-	-	-	-	-	-
Fringe Benefits - Other	1,166	-	-	-	-	-	-	-	-	-	-	-
Prescriptions	6,410	-	-	-	-	-	-	-	-	-	-	-
Retirement	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Rental Inspection</b>	16,966	-	-	-	-	-	-	-	-	-	-	-
<b>General government</b>												
Salaries and Wages	49,025	64,793	2,750	2,750	30,889	67,000	69,400	69,400	69,400	69,400	69,400	69,400
Fringe Benefits - Other	64,282	11,917	-	-	2,681	-	-	-	-	-	-	-
Hospital	5,500	158	-	-	54,873	-	-	-	-	-	-	-
Prescriptions	345,778	344,491	429,949	1,044,060	1,392,076	1,109,794	1,089,000	1,132,560	1,177,862	1,224,977	1,273,976	1,324,935
Retirement	248,117	91,280	-	-	-	-	-	-	-	-	-	-
Capital Outlay	76,971	98,912	234,668	931,648	983,271	1,074,408	1,074,408	1,128,128	1,184,535	1,243,762	1,305,950	1,371,247
Other	469,018	557,939	938,518	2,131,438	2,344,600	2,557,853	2,557,853	2,685,746	2,820,033	2,961,035	3,109,086	3,264,541
<b>Total general government</b>	1,193,236	1,005,348	907,138	888,183	1,139,315	1,153,634	1,185,650	1,199,878	1,214,276	1,228,848	1,243,594	1,258,517
<b>Total general government</b>	2,240,526	2,158,912	2,585,991	7,053,325	8,002,751	8,152,204	8,093,787	8,443,717	8,807,177	9,227,819	9,628,944	10,037,778
<b>Public Safety</b>												
Salaries and Wages	4,031,486	4,807,525	5,138,802	9,708,378	10,716,834	10,648,249	10,655,660	10,998,019	11,390,382	11,840,696	12,272,290	12,712,421
Fringe Benefits - Other	4,521,096	3,972,391	4,164,013	4,136,528	4,133,888	4,136,080	4,137,580	4,137,580	4,147,580	4,157,580	4,167,580	4,177,580
Hospital	379,553	301,112	340,030	284,081	253,623	257,871	260,906	271,342	282,196	293,484	305,223	317,432
Prescriptions	502,701	461,791	542,066	534,845	551,010	621,864	621,864	485,054	489,904	494,804	499,752	504,749
Retirement	437,772	465,341	492,163	16,788	38,026	55,000	45,000	46,800	48,672	50,619	52,644	54,749
Capital Outlay	166,555	121,524	-	-	-	-	-	-	-	-	-	-
Other	639,041	898,425	1,183,924	-	7,386	-	-	-	-	-	-	-
<b>Total Police</b>	598,638	716,002	680,396	680,396	680,396	761,753	761,753	770,894	780,145	789,507	798,981	808,568
<b>Total Police</b>	7,965,927	7,854,623	8,174,756	5,833,174	5,760,292	5,832,568	5,827,103	5,711,670	5,748,497	5,785,993	5,824,179	5,863,079

See accompanying Summary of Significant Projection Assumptions.

Historical and Projected Financial Operations

	Historical Data				Future Projected Data								
	actual	actual	actual	actual	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015			
	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	budget	adjusted budget	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
<b>Fire</b>													
Salaries and Wages	2,697,076	2,619,440	2,530,712	2,461,350	2,548,928	\$ 2,539,476	\$ 2,562,667	\$ 2,562,667	\$ 2,562,667	\$ 2,566,667	\$ 2,570,667	\$ 2,574,667	\$ 2,578,667
Fringe Benefits - Other	197,567	194,285	180,942	143,236	121,083	166,871	164,841	178,292	171,435	185,424	185,424	192,841	200,554
Hospital	282,201	277,531	317,441	293,068	329,539	358,853	358,853	376,796	395,635	415,417	415,417	436,188	457,997
Prescriptions	1,766	609	770	31,760	5,209	31,500	31,500	32,760	34,070	35,433	35,433	36,851	38,325
Pretfunding	67,320	68,358	-	-	-	-	-	-	-	-	-	-	-
Compensated absence payments	120,605	-	-	-	-	-	-	-	-	-	-	-	-
Retirement	368,535	555,809	776,192	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	72,861	-	-	-	-	-	-	-	-	-	-	-
Retiree Health Premiums	303,538	380,112	366,989	-	-	-	-	-	-	-	-	-	-
Other	484,551	520,467	682,576	560,120	399,103	391,186	391,186	395,880	400,631	405,438	410,304	415,227	415,227
<b>Total Fire</b>	4,523,159	4,689,472	4,855,622	3,489,534	3,403,862	3,487,886	3,509,047	3,539,538	3,575,296	3,612,379	3,650,850	3,690,771	3,690,771
<b>Civil defense</b>													
Salaries and Wages - moved to Wayne County	20,295	-	-	-	-	-	-	-	-	-	-	-	-
Fringe Benefits - Other	2,489	-	-	-	-	-	-	-	-	-	-	-	-
Hospitals	4,501	-	-	-	-	-	-	-	-	-	-	-	-
Prescriptions	107	-	-	-	-	-	-	-	-	-	-	-	-
Retirement	3,810	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	55,953	31,349	31,349	31,349	-	-	-	-	-	-	-	-	-
<b>Total Civil Defense</b>	87,175	31,349	31,349	31,349	-	-	-	-	-	-	-	-	-
<b>Building department</b>													
Salaries and Wages	243,012	297,017	293,787	298,500	298,340	226,562	226,562	229,652	229,652	229,652	229,652	229,652	229,652
Fringe Benefits - Other	34,015	49,606	47,117	37,627	39,522	30,254	28,577	30,909	32,145	33,431	33,431	34,768	36,357
Hospital	21,380	37,219	38,165	40,651	47,852	28,487	28,487	29,911	31,407	32,977	32,977	34,626	36,357
Prescriptions	2,388	4,483	5,772	1,965	501	3,000	3,000	3,120	3,245	3,375	3,375	3,510	3,650
Retirement	44,310	75,353	68,171	10,244	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	63,387	123,744	131,137	147,714	133,997	130,752	131,282	132,857	134,452	136,065	137,698	139,350	139,350
<b>Total Building department</b>	408,492	588,422	584,149	526,457	530,456	419,055	417,908	425,261	429,664	434,214	438,917	443,778	443,778
<b>District Court</b>	1,479,312	1,410,689	1,197,498	1,411,920	1,442,845	1,342,845	1,342,845	1,358,959	1,375,267	1,391,770	1,408,471	1,425,373	1,425,373
<b>Total public safety</b>	14,464,065	13,939,673	14,843,174	11,292,444	11,137,455	11,082,354	11,096,903	11,035,428	11,128,724	11,224,356	11,322,416	11,423,000	11,423,000
<b>Public Works</b>													
<b>Department of Public Works</b>													
Salaries and Wages	362,881	103,334	104,206	-	-	-	-	-	-	-	-	-	-
Fringe Benefits - Other	62,567	14,960	19,053	-	35	-	-	-	-	-	-	-	-
Hospital	81,013	18,020	25,080	-	-	-	-	-	-	-	-	-	-
Prescriptions	16,741	582	485	-	-	-	-	-	-	-	-	-	-
Retirement	94,000	20,167	13,804	-	-	-	-	-	-	-	-	-	-
Capital Outlay	2,358	2,785	-	-	-	-	-	-	-	-	-	-	-
Other	462,810	429,629	316,914	201,600	175,885	82,939	82,939	83,934	84,941	85,961	86,992	88,036	88,036
<b>Total DPW</b>	1,082,370	589,477	479,542	201,600	175,920	82,939	82,939	83,934	84,941	85,961	86,992	88,036	88,036
<b>Planning Commission</b>	5,448	6,523	4,976	12,653	15,274	13,000	13,000	13,156	13,314	13,474	13,635	13,799	13,799
<b>Motor pool</b>													
Salaries and Wages	204,018	1,606	-	-	-	-	-	-	-	-	-	-	-
Fringe - Other	26,884	254	-	-	-	-	-	-	-	-	-	-	-
Hospital	41,266	-	-	-	-	-	-	-	-	-	-	-	-
Prescriptions	2,042	-	-	-	-	-	-	-	-	-	-	-	-
Retirement	49,040	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	22,347	730	-	-	-	-	-	-	-	-	-	-	-
<b>Total Motor Pool</b>	345,597	2,590	-	-	-	-	-	-	-	-	-	-	-
<b>Sidewalks</b>	75,756	210	-	-	-	-	-	-	-	-	-	-	-
<b>Street lighting</b>	473,920	482,455	467,500	461,803	464,751	484,893	484,893	490,712	496,600	502,559	508,590	514,693	514,693
<b>Sanitation subsidy</b>	1,826,783	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total public works</b>	3,809,874	1,081,275	952,018	676,056	655,945	580,832	580,832	587,802	594,856	601,994	609,218	616,528	616,528

See accompanying Summary of Significant Projection Assumptions.

	Historical Data				Future Projected Data						
	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
<b>Cultural and Recreation</b>											
<b>Community and Economic Development</b>											
Salaries and Wages											
Fringe - Other											
Hospital											
Prescriptions											
Retirement											
Capital Outlay											
Other											
<b>Total Community Development</b>											
Kennedy Memorial Building - now included in Recreation											
Salaries and Wages											
Fringe Benefits - Other											
Hospital											
Prescriptions											
Retirement											
Capital Outlay											
Other											
<b>Total Kennedy Memorial Building</b>											
Historical Museum											
Parks Maintenance											
Salaries and Wages											
Fringe Benefits - Other											
Hospital											
Prescriptions											
Retirement											
Capital Outlay											
Other											
<b>Total Parks Maintenance</b>											
Recreation											
Salaries and Wages											
Fringe Benefits - Other											
Hospital											
Prescriptions											
Retirement											
Capital Outlay											
Other											
<b>Total Recreation</b>											
Library											
Salaries and Wages											
Fringe Benefits - Other											
Hospital											
Prescriptions											
Retirement											
Capital Outlay											
Other											
<b>Total Library</b>											
Social Services											
Salaries and Wages											
Fringe Benefits - Other											
Hospital											
Prescriptions											
Retirement											
Capital Outlay											
Boarding of prisoners											
<b>Total Social Services</b>											

City of Lincoln Park  
General Fund

Historical and Projected Financial Operations

	Historical Data					Future Projected Data						
	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
<b>Community Center</b>												
Salaries and Wages	170,859	163,428	8,810	-	91,397	\$	\$	\$	\$	\$	\$	\$
Fringe Benefits - Other	14,576	16,276	4,044	-	10,454							
Hospital	1,080	-	-	-	-							
Prescriptions	-	-	-	-	-							
Retirement	8,500	-	-	-	-							
Capital Outlay	22,430	-	-	-	-							
Other	231,249	289,257	146,932	133,866	148,989		37,246					
<b>Total Community Center</b>	448,696	469,461	159,786	133,866	250,940		37,246					
<b>Senior Citizens - now included in Recreation</b>												
Salaries and Wages	73,174	-	-	-	-							
Fringe Benefits - Other	6,798	-	-	-	-							
Hospital	1,727	-	-	-	-							
Prescriptions	195	-	-	-	-							
Retirement	3,760	-	-	-	-							
Capital Outlay	-	-	-	-	-							
Other	72,120	-	-	-	-							
<b>Total Senior Citizens</b>	157,774	-	-	-	-							
<b>Total cultural and recreation</b>	1,906,111	2,053,575	1,789,851	1,263,446	1,344,060	1,041,212	1,056,779	1,029,367	1,040,918	1,052,692	1,064,695	1,076,934
<b>Total Capital Outlay</b>								187,500	277,501	160,090	138,000	125,000
<b>Operating Transfers Out:</b>												
Drug Forfeiture Fund	-	-	-	414,533	-	-	-	-	-	-	-	-
Sanitation Fund - new	-	117,100	6,993	-	97,083	-	100,000	10,000	10,000	10,000	10,000	10,000
Capital Projects Fund	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating transfers out</b>	-	117,100	6,993	414,533	97,083	-	100,000	10,000	10,000	10,000	10,000	10,000
<b>Total Expenditures</b>	24,211,536	21,355,384	22,721,198	23,354,857	23,951,377	23,352,647	23,490,174	23,848,116	24,442,381	24,889,828	25,416,619	25,963,894
<b>Excess of Revenue over (under) Expenditures</b>	(1,776,360)	(190,302)	89,586	513,963	1,003,144	-	262,478	(1,823,299)	(6,379,509)	(7,497,620)	(7,988,310)	(8,485,687)
<b>Fund Balance - Beginning</b>	4,225,575	2,449,315	2,615,667	2,705,253	3,219,216	4,222,360	4,222,360	4,494,838	2,661,539	(3,717,970)	(11,215,590)	(19,203,900)
<b>Fund Balance - Ending</b>	<b>2,449,215</b>	<b>2,259,013</b>	<b>2,705,253</b>	<b>3,219,216</b>	<b>4,222,360</b>	<b>4,222,360</b>	<b>4,494,838</b>	<b>2,661,539</b>	<b>(3,717,970)</b>	<b>(11,215,590)</b>	<b>(19,203,900)</b>	<b>(27,689,586)</b>

\* 2006 fund balance adjusted from \$2,259,013 to \$2,615,667 to recognize \$356,674 of previous years' drug forfeitures that had been reflected as deferred revenue and should have been reflected as revenue.

	2009-2010	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
<b>Other - Revenue</b>							
Sidewalks	62,566	192,844	88,699	105,666	79,800	\$	25,000
Insurance dividend	118,978	147,782	324,211	642,745	365,162		275,000
admin chargebacks	30,000	58,183	91,428	153,863	102,218		67,862
water and sewer chargeback	7,434	163,946	198,884	315,031	315,031		315,031
Firefighter grant	245,521	74,729	-	90,626	99,637		262,563
Other	-	2,13,862	293,004	-	-		-
<b>Total Other</b>	<b>464,499</b>	<b>850,446</b>	<b>996,226</b>	<b>1,307,931</b>	<b>961,846</b>		<b>945,456</b>

City of Lincoln Park  
General Fund  
Historical and Projected Financial Operations

Revenue	Historical Data					budget 2009-2010	adjusted budget 2009-2010	Future Projected Data												
	actual 2004-2005	actual 2005-2006	actual 2006-2007	actual 2007-2008	actual 2008-2009			2010-2011	2011-2012	2012-2013	2013-2014	2014-2015								
<b>Property Taxes</b>																				
Operating millage - 15.5709 mills	10,608,823	10,871,821	11,351,398	12,007,098	11,992,833	14,677,719	12,093,650	10,853,362	9,768,026	9,279,625	9,279,625	9,465,217	9,465,217	9,654,521						
Police and Fire millage - 3.4591 mills	-	-	-	-	2,672,810	-	2,695,278	2,418,859	2,176,973	2,068,124	2,068,124	2,109,487	2,109,487	2,151,676						
Library millage - .35 mills	-	-	-	-	270,441	-	272,115	244,746	230,271	209,258	209,258	213,443	213,443	217,712						
Property tax administrative fees	377,872	392,346	379,812	407,128	433,306	400,582	379,082	359,500	323,550	307,372	307,372	313,530	313,530	319,790						
Garbage and rubbish - now in own fund	1,595,125	-	-	-	-	87,500	-	-	-	-	-	-	-	-						
Payments in lieu of taxes	-	19,853	117,233	108,271	92,327	87,500	87,500	87,500	87,500	87,500	87,500	87,500	87,500	87,500						
<b>Total property taxes</b>	12,581,820	11,264,020	11,848,443	12,522,497	15,461,717	15,165,801	15,548,225	13,963,966	12,576,320	11,951,879	11,951,879	12,189,166	12,189,166	12,431,200						
<b>Federal Sources</b>	48,435	14,646	-	-	-	-	-	-	-	-	-	-	-	-						
<b>State Sources</b>																				
Revenue sharing:																				
Constitutional	2,701,040	2,747,926	2,689,945	2,779,755	2,621,644	2,286,453	2,512,876	2,512,876	2,512,876	2,512,876	2,512,876	2,512,876	2,512,876	2,512,876						
Statutory	2,674,570	2,568,771	2,467,548	2,377,738	2,377,738	2,097,416	1,933,574	1,711,252	1,500,045	1,299,399	1,087,785	1,087,785	1,087,785	927,702						
State grants	122,784	117,492	156,869	209,495	237,420	90,998	90,998	92,090	93,195	94,313	95,445	95,445	95,445	96,590						
Liquor license fees	21,507	23,616	21,835	23,976	22,074	24,000	24,000	24,288	24,579	24,874	25,173	25,173	25,173	25,475						
<b>Total state sources</b>	5,519,901	5,456,905	5,336,197	5,390,964	5,258,876	4,498,867	4,561,448	4,340,505	4,130,696	3,931,463	3,931,463	3,742,279	3,742,279	3,562,644						
<b>Charges for Services</b>																				
Building, electrical, heating and plumbing permits	543,942	658,027	582,521	669,365	661,788	555,773	555,773	555,773	555,773	555,773	555,773	555,773	555,773	555,773						
Recreation programs	117,334	180,340	194,476	174,412	148,213	183,000	183,000	185,196	187,418	189,667	189,667	191,943	191,943	194,247						
Motor pool rentals - now in own fund	726,094	-	-	-	-	-	-	-	-	-	-	-	-	-						
Cable television franchise fee	358,924	371,277	392,608	435,724	439,236	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000						
Rental and inspection	121,310	83,095	155,302	150,827	109,810	-	-	-	-	-	-	-	-	-						
Composting - now part of Solid Waste Fund	122,112	-	-	-	-	-	-	-	-	-	-	-	-	-						
Community center fees	358,811	453,609	42,424	17,939	151,179	-	-	-	-	-	-	-	-	-						
<b>Total charges for services</b>	2,348,527	1,746,448	1,367,331	1,448,267	1,510,226	1,088,773	1,088,773	1,090,969	1,093,191	1,095,440	1,095,440	1,097,716	1,097,716	1,100,020						
<b>Fines and Forfeitures - Court and Drug</b>	1,285,478	1,465,272	1,530,603	1,264,190	1,422,936	1,450,000	1,450,000	1,467,400	1,485,009	1,502,829	1,502,829	1,520,863	1,520,863	1,539,113						
<b>Library Fines</b>	2,967	3,519	4,461	3,998	5,153	3,750	3,750	3,795	3,841	3,887	3,887	3,933	3,933	3,980						
Interest - delinquent tax	98,069	172,327	206,137	237,552	305,747	115,000	115,000	116,380	117,777	119,190	119,190	120,620	120,620	122,068						
Interest - investments	87,580	226,811	192,357	293,853	28,018	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000						
Contribution from Redtree Health Care Fund for prescriptions - final year	-	1,114,432	1,338,969	1,399,568	-	-	-	-	-	-	-	-	-	-						
Transfer in from other funds	-	107,934	-	-	-	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000						
Other (see breakout below)	464,499	687,400	996,226	1,307,931	961,848	945,456	945,456	956,801	968,283	979,902	979,902	991,661	991,661	1,003,561						
<b>Total Revenue</b>	22,435,276	22,265,068	22,820,724	23,868,820	24,954,521	23,352,647	23,752,652	22,024,817	20,460,116	19,469,590	19,469,590	19,751,240	19,751,240	19,847,585						
<b>Expenditures</b>																				
<b>General Government</b>																				
Mayor and Council	177,821	65,423	63,000	63,150	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000						
Salaries and Wages	13,989	5,005	4,820	4,831	4,820	4,917	4,917	5,114	5,318	5,531	5,531	5,752	5,752	5,982						
Fringe Benefits - Other	4,501	-	-	-	-	-	-	-	-	-	-	-	-	-						
Hospital	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
Prescriptions	108	-	-	-	-	-	-	-	-	-	-	-	-	-						
Retirement	4,270	-	-	-	-	-	-	-	-	-	-	-	-	-						
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
Other	30,793	11,298	8,589	9,418	7,102	10,450	10,450	10,575	10,702	10,831	10,831	10,961	10,961	11,092						
<b>Total Mayor and Council</b>	231,482	81,726	76,409	77,399	74,922	78,367	78,367	78,689	79,021	79,362	79,362	79,713	79,713	80,075						

See accompanying Summary of Significant Projection Assumptions.

City of Lincoln Park  
General Fund  
Historical and Projected Financial Operations

	Historical Data					budget	adjusted budget	Future Projected Data												
	actual	actual	actual	actual	actual			2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015							
<b>City Manager</b>																				
Salaries and Wages		287,366	\$	266,668	\$	246,317	\$	247,236		229,260	\$	229,260	\$	229,260	\$	229,260	\$	229,260	\$	229,260
Fringe Benefits - Other		27,821		27,169		24,027		25,596		31,067		31,067		31,067		31,067		31,067		31,067
Hospital		23,165		32,947		33,439		30,888		30,027		31,528		33,110		34,760		36,498		38,323
Prescriptions						520		516		1,500		1,560		1,622		1,687		1,755		1,825
Retirement		37,027		44,915																
Capital Outlay																				
Other		32,087		38,091		28,540		19,141		28,950		30,512		30,878		31,248		31,623		32,003
<b>Total City Manager</b>		407,166		409,790		332,843		323,379		319,609		323,927		327,175		330,558		334,082		337,755
<b>City Clerk</b>																				
Salaries and Wages	124,087	141,514		137,271		137,271		137,088		137,058		137,058		137,058		137,058		137,058		137,058
Fringe Benefits - Other	16,561	20,492		19,998		17,749		16,153		16,490		17,124		17,809		18,521		19,262		20,032
Hospital	9,583	4,560		4,560		4,560		13,063		14,904		15,649		16,432		17,253		18,116		19,022
Prescriptions	16,565			80		518						500								
Retirement	14,090	23,168		28,882																
Capital Outlay																				
Other	13,746	31,379		42,015		21,371		19,139		31,637		32,057		32,442		32,831		33,225		33,624
<b>Total City Clerk</b>	194,632	223,882		233,256		180,951		187,961		200,089		201,888		203,740		205,663		207,661		209,736
<b>Election Commission</b>																				
Salaries and Wages	29,649	32,639		26,232		34,260		31,521		32,850		32,850		32,850		32,850		32,850		32,850
Fringe Benefits - Other	692	1,162		169		20		1,300		1,026		1,222		1,322		1,375		1,430		1,487
Hospital		428		91		2		1,062												
Prescriptions																				
Retirement																				
Capital Outlay																				
Other	3,199	19,415		4,369		25,139		15,477		26,350		26,650		27,293		27,621		27,952		28,288
<b>Total Election Commission</b>	52,955	52,246		30,861		59,421		48,190		60,226		60,772		61,465		61,846		62,232		62,625
<b>City Assessor</b>																				
Salaries and Wages	65,981	76,046		73,390		73,775		73,154		72,626		74,726		74,726		74,726		74,726		74,726
Fringe Benefits - Other	6,976	9,140		8,601		8,098		8,168		8,298		8,365		8,332		8,367		8,335		8,396
Hospital	8,837	9,301		10,551		13,321		10,837		12,248		12,848		13,503		14,179		14,888		15,632
Prescriptions	756	620		3,712		2,591		609		1,100		750		811		844		877		912
Retirement	5,480	9,148		12,282																
Capital Outlay																				
Other	18,528	28,135		26,714		27,362		23,243		22,032		22,032		22,564		22,835		23,109		23,386
<b>Total City Assessor</b>	106,558	132,390		135,250		125,147		116,011		116,304		117,479		119,958		121,270		122,634		124,053
<b>City Attorney</b>																				
Salaries and Wages	11,180																			
Fringe Benefits - Other	1,076																			
Hospital	6,596																			
Prescription	1,422																			
Retirement	3,890																			
Capital Outlay																				
Other	91,412	145,801		185,386		261,107		278,362		198,700		233,700		239,342		242,215		245,121		248,063
<b>Total City Attorney</b>	115,066	145,801		185,386		261,107		278,362		198,700		233,700		239,342		242,215		245,121		248,063
<b>City Finance Director</b>																				
Salaries and Wages	203,222	228,507		180,896		184,497		184,581		180,065		180,065		180,065		180,065		180,065		180,065
Fringe Benefits - Other	31,273	48,934		28,704		22,555		24,327		23,705		23,705		23,705		23,705		23,705		23,705
Hospital	31,351	32,079		26,047		25,273		32,410		41,042		43,094		45,249		47,511		49,887		52,381
Prescriptions	1,396	2,069		295		510		178		1,500		1,500		1,622		1,687		1,755		1,825
Retirement	39,360	40,053		27,756				2,667												
Capital Outlay																				
Other	15,041	18,602		29,069		24,432		28,616		35,933		37,987		38,904		39,371		39,843		40,322
<b>Total City Finance Director</b>	321,643	370,244		292,767		257,267		272,779		282,245		284,299		291,480		295,299		299,282		303,433

See accompanying Summary of Significant Projection Assumptions.

City of Lincoln Park  
General Fund  
Historical and Projected Financial Operations

	Historical Data					budget	adjusted budget	Future Projected Data						
	actual	actual	actual	actual	actual			2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	
<b>Personnel and Purchasing</b>														
Salaries and Wages	132,045	184,080	158,303	136,129	\$	74,476	97,488	97,488	97,488	97,488	97,488	97,488	97,488	97,488
Fringe Benefits - Other	16,056	23,671	22,636	16,491	\$	17,306	16,491	16,491	16,491	16,491	16,491	16,491	16,491	16,491
Hospital	13,685	23,774	24,166	20,241		18,376	18,376	18,376	18,376	18,376	18,376	18,376	18,376	18,376
Prescriptions	4,168	9,138	7,110	6,934		3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Retirement	26,190	42,844	53,823	7,970		3,000	3,000	3,245	3,245	3,245	3,245	3,245	3,245	3,245
Capital Outlay		7,197	23,330	22,338		21,236	21,236	21,491	21,749	22,010	22,274	22,541	22,806	23,071
Other	61,027	16,310	289,192	203,169		136,641	150,758	152,478	154,269	156,134	158,076	160,099	162,021	164,044
<b>Total Personnel and Purchasing</b>	<b>253,171</b>	<b>297,789</b>	<b>289,192</b>	<b>203,169</b>	<b>\$</b>	<b>136,641</b>	<b>150,758</b>	<b>152,478</b>	<b>154,269</b>	<b>156,134</b>	<b>158,076</b>	<b>160,099</b>	<b>162,021</b>	<b>164,044</b>
<b>Treasury Department</b>														
Salaries and Wages	160,254	177,312	141,866	114,810	\$	91,652	92,531	92,531	92,531	92,531	92,531	92,531	92,531	92,531
Fringe Benefits - Other	20,806	24,393	12,686	14,517	\$	15,863	15,863	16,498	17,157	17,844	18,557	19,300	20,043	20,786
Hospital	23,646	22,271	19,014	16,816		25,005	25,005	26,235	27,568	28,946	30,394	31,913	33,432	34,951
Prescriptions	9,138	7,503	3,271	1,006		2,500	2,500	2,600	2,704	2,812	2,925	3,042	3,159	3,276
Retirement	36,300	53,016	68,604	102,431		34,840	34,840	35,332	35,824	36,316	36,808	37,300	37,792	38,284
Capital Outlay	7,197	68,604	1,012,431	932,109		944,004	944,004	955,332	966,796	978,398	990,138	1,002,020	1,013,912	1,025,804
Other	6,506	899,900	1,157,749	1,210,565		1,113,864	1,114,743	1,093,216	1,106,756	1,120,531	1,134,545	1,148,806	1,163,067	1,177,328
<b>Total Treasury Department</b>	<b>263,847</b>	<b>937,069</b>	<b>899,900</b>	<b>1,157,749</b>	<b>\$</b>	<b>1,113,864</b>	<b>1,114,743</b>	<b>1,093,216</b>	<b>1,106,756</b>	<b>1,120,531</b>	<b>1,134,545</b>	<b>1,148,806</b>	<b>1,163,067</b>	<b>1,177,328</b>
<b>Municipal building</b>														
Salaries and Wages	2,010	8,290	8,290	8,290	\$	8,290	8,290	8,290	8,290	8,290	8,290	8,290	8,290	8,290
Fringe Benefits - Other	1,184	1,166	1,166	1,166		1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166
Hospital	6,290	6,410	6,410	6,410		6,410	6,410	6,410	6,410	6,410	6,410	6,410	6,410	6,410
Prescriptions	107,665	73,622	73,622	73,622		73,622	73,622	73,622	73,622	73,622	73,622	73,622	73,622	73,622
Retirement	118,879	37,822	4,877	8,290		37,822	4,877	8,290	8,290	8,290	8,290	8,290	8,290	8,290
Capital Outlay	37,822	4,877	8,290	8,290		4,877	8,290	8,290	8,290	8,290	8,290	8,290	8,290	8,290
Other	73,622	8,290	8,290	8,290		8,290	8,290	8,290	8,290	8,290	8,290	8,290	8,290	8,290
<b>Total Municipal Building</b>	<b>132,187</b>	<b>132,187</b>	<b>132,187</b>	<b>132,187</b>	<b>\$</b>	<b>132,187</b>	<b>132,187</b>	<b>132,187</b>	<b>132,187</b>	<b>132,187</b>	<b>132,187</b>	<b>132,187</b>	<b>132,187</b>	<b>132,187</b>
<b>Rental Inspection - moved to Building Department</b>														
Salaries and Wages	4,877	4,877	4,877	4,877	\$	4,877	4,877	4,877	4,877	4,877	4,877	4,877	4,877	4,877
Fringe Benefits - Other	8,290	8,290	8,290	8,290		8,290	8,290	8,290	8,290	8,290	8,290	8,290	8,290	8,290
Hospital	1,166	1,166	1,166	1,166		1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166
Prescriptions	6,410	6,410	6,410	6,410		6,410	6,410	6,410	6,410	6,410	6,410	6,410	6,410	6,410
Capital Outlay	73,622	73,622	73,622	73,622		73,622	73,622	73,622	73,622	73,622	73,622	73,622	73,622	73,622
Other	132,187	132,187	132,187	132,187		132,187	132,187	132,187	132,187	132,187	132,187	132,187	132,187	132,187
<b>Total Rental Inspection</b>	<b>132,187</b>	<b>132,187</b>	<b>132,187</b>	<b>132,187</b>	<b>\$</b>	<b>132,187</b>	<b>132,187</b>	<b>132,187</b>	<b>132,187</b>	<b>132,187</b>	<b>132,187</b>	<b>132,187</b>	<b>132,187</b>	<b>132,187</b>
<b>General government</b>														
Salaries and Wages	257,326	49,025	64,793	2,750		67,000	69,400	69,400	69,400	69,400	69,400	69,400	69,400	69,400
Fringe Benefits - Other	64,282	11,917	10,562	2,681		2,681	2,681	2,681	2,681	2,681	2,681	2,681	2,681	2,681
Hospital	5,500	344,491	429,949	1,044,060		1,097,794	1,089,000	1,132,560	1,177,862	1,224,977	1,273,976	1,324,935	1,376,934	1,429,933
Prescriptions	345,778	91,280	234,868	931,648		1,074,408	1,074,408	1,128,128	1,184,535	1,243,762	1,305,950	1,371,247	1,438,544	1,504,841
Retirement	94,950	76,971	938,518	2,055,046		2,557,853	2,557,853	2,685,746	2,820,033	2,961,035	3,109,086	3,264,541	3,426,546	3,593,551
Capital Outlay	76,971	557,939	907,138	888,383		2,117,476	2,117,476	2,233,350	2,354,517	2,481,243	2,613,805	2,751,496	2,894,241	3,042,036
Other	1,193,236	1,005,348	907,138	888,383		1,185,650	1,185,650	1,199,878	1,214,276	1,228,848	1,243,594	1,258,517	1,273,540	1,288,563
<b>Total general government</b>	<b>2,240,526</b>	<b>2,158,912</b>	<b>2,585,991</b>	<b>7,053,325</b>		<b>8,152,204</b>	<b>8,093,787</b>	<b>8,443,717</b>	<b>8,807,177</b>	<b>9,227,819</b>	<b>9,628,944</b>	<b>10,037,778</b>	<b>10,448,612</b>	<b>10,859,451</b>
<b>Total general government</b>	<b>4,031,486</b>	<b>4,807,525</b>	<b>5,138,802</b>	<b>9,708,378</b>		<b>10,648,249</b>	<b>10,655,660</b>	<b>10,998,019</b>	<b>11,390,382</b>	<b>11,840,696</b>	<b>12,272,290</b>	<b>12,714,421</b>	<b>13,156,542</b>	<b>13,603,604</b>
<b>Public Safety</b>														
<b>Police</b>														
Salaries and Wages	4,521,096	3,977,391	4,164,013	4,136,578		4,136,580	4,137,580	4,137,580	4,147,580	4,157,580	4,167,580	4,177,580	4,187,580	4,197,580
Fringe Benefits - Other	278,553	301,112	340,030	264,081		264,081	260,906	271,342	282,196	293,484	305,232	317,432	330,032	342,632
Hospital	502,701	481,791	542,286	534,845		621,864	621,864	485,054	489,904	494,804	499,754	504,749	509,744	514,739
Prescriptions	437,772	465,341	492,363	16,788		55,000	45,000	46,800	48,672	50,619	52,644	54,749	56,874	59,029
Retirement	105,300	121,524	166,355	16,788		16,788	16,788	16,788	16,788	16,788	16,788	16,788	16,788	16,788
Capital Outlay	166,355	898,425	1,183,924	7,386		7,386	7,386	7,386	7,386	7,386	7,386	7,386	7,386	7,386
Other	6,174	3,272	112,278	2,692		2,692	2,692	2,692	2,692	2,692	2,692	2,692	2,692	2,692
<b>Total Police</b>	<b>7,965,927</b>	<b>7,854,623</b>	<b>8,174,756</b>	<b>5,833,174</b>		<b>5,833,174</b>	<b>5,833,174</b>	<b>5,711,670</b>	<b>5,748,497</b>	<b>5,785,993</b>	<b>5,824,179</b>	<b>5,863,079</b>	<b>5,901,979</b>	<b>5,940,879</b>

See accompanying Summary of Significant Projection Assumptions.

City of Lincoln Park  
General Fund

Historical and Projected Financial Operations

	Historical Data					adjusted budget	Future Projected Data					
	actual	actual	actual	actual	actual		2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
<b>Fire</b>												
Salaries and Wages	2,697,076	2,619,440	2,530,712	2,461,350	2,548,928	2,539,476	2,562,667	2,566,667	2,570,667	2,574,667	2,578,667	
Fringe Benefits - Other	197,567	194,285	180,942	143,236	121,083	166,871	171,435	178,292	185,424	192,841	200,554	
Hospital	282,201	277,531	317,441	293,068	329,539	338,853	376,796	395,635	415,417	436,188	457,997	
Prescriptions	1,766	609	770	31,760	5,209	31,500	32,760	34,070	35,433	36,851	38,325	
Compensated absence payments	67,320	68,358	-	-	-	-	-	-	-	-	-	
Retirement	120,665	555,809	776,192	-	-	-	-	-	-	-	-	
Capital Outlay	368,535	72,861	-	-	-	-	-	-	-	-	-	
Retiree Health Premiums	303,538	380,112	366,969	-	-	-	-	-	-	-	-	
Other	484,551	520,467	682,576	560,120	399,103	391,186	395,880	400,631	405,438	410,304	415,227	
<b>Total Fire</b>	4,523,159	4,689,472	4,855,622	3,489,534	3,403,862	3,487,886	3,539,538	3,575,296	3,612,379	3,650,850	3,690,771	
<b>Civil defense</b>												
Salaries and Wages - moved to Wayne County	20,295	-	-	-	-	-	-	-	-	-	-	
Fringe Benefits - Other	2,489	-	-	-	-	-	-	-	-	-	-	
Hospitals	4,501	-	-	-	-	-	-	-	-	-	-	
Prescriptions	107	-	-	-	-	-	-	-	-	-	-	
Retirement	3,830	-	-	-	-	-	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	
Other	55,953	31,349	31,349	31,349	-	-	-	-	-	-	-	
<b>Total Civil Defense</b>	87,175	31,349	31,349	31,349	-	-	-	-	-	-	-	
<b>Building department</b>												
Salaries and Wages	243,012	297,017	293,787	298,500	298,340	226,562	229,652	209,652	229,652	229,652	229,652	
Fringe Benefits - Other	34,015	49,606	47,117	37,627	39,522	30,254	28,577	30,909	32,145	33,431	34,768	
Hospital	21,380	37,219	38,265	40,651	47,852	28,487	29,911	31,407	32,977	34,626	36,357	
Prescriptions	2,388	4,483	5,772	1,965	501	3,000	3,000	3,245	3,375	3,510	3,650	
Retirement	44,310	75,353	68,171	-	10,244	-	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	
Other	63,387	123,744	131,137	147,714	133,997	130,752	132,857	134,452	136,065	137,698	139,350	
<b>Total Building department</b>	408,492	588,422	584,249	536,457	530,456	419,055	417,908	429,664	434,214	438,917	443,778	
District Court	1,479,312	1,410,689	1,197,498	1,411,930	1,442,845	1,342,845	1,358,959	1,375,267	1,391,770	1,408,471	1,425,373	
<b>Total public safety</b>	14,464,065	13,939,673	14,843,474	11,292,444	11,137,455	11,082,354	11,035,428	11,128,724	11,224,356	11,322,416	11,423,000	
<b>Public Works</b>												
Department of Public Works												
Salaries and Wages	362,881	103,334	104,206	-	-	-	-	-	-	-	-	
Fringe Benefits - Other	62,567	14,960	19,053	-	35	-	-	-	-	-	-	
Hospital	81,013	18,020	25,080	-	-	-	-	-	-	-	-	
Prescriptions	16,741	582	485	-	-	-	-	-	-	-	-	
Retirement	94,000	20,167	13,804	-	-	-	-	-	-	-	-	
Capital Outlay	2,358	2,785	-	-	-	-	-	-	-	-	-	
Other	462,810	429,629	316,914	201,600	175,885	82,939	83,934	84,941	85,961	86,992	88,036	
<b>Total DPW</b>	1,082,370	589,477	479,542	201,600	175,920	82,939	83,934	84,941	85,961	86,992	88,036	
Planning Commission	5,448	6,523	4,976	12,653	15,274	13,000	13,156	13,314	13,474	13,635	13,799	
<b>Motor pool</b>												
Salaries and Wages	204,018	1,606	-	-	-	-	-	-	-	-	-	
Fringe - Other	26,884	254	-	-	-	-	-	-	-	-	-	
Hospital	41,266	-	-	-	-	-	-	-	-	-	-	
Prescriptions	2,042	-	-	-	-	-	-	-	-	-	-	
Retirement	49,040	-	-	-	-	-	-	-	-	-	-	
Capital Outlay	22,347	730	-	-	-	-	-	-	-	-	-	
Other	345,597	2,590	-	-	-	-	-	-	-	-	-	
<b>Total Motor Pool</b>	75,756	230	-	-	-	-	-	-	-	-	-	
Sidewalks	473,920	482,455	467,500	461,803	464,751	484,893	490,712	496,600	502,559	508,590	514,693	
Street lighting	1,826,783	-	-	-	-	-	-	-	-	-	-	
Sanitation subsidy	3,809,874	1,081,275	952,018	676,056	655,945	580,832	587,802	594,856	601,994	609,218	616,528	

See accompanying Summary of Significant Projection Assumptions.

Historical and Projected Financial Operations

	Historical Data				budget	adjusted budget	Future Projected Data						
	actual	actual	actual	actual			2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	
<b>Cultural and Recreation</b>													
<b>Community and Economic Development</b>													
Salaries and Wages													
Fringe - Other													
Hospital													
Prescriptions													
Retirement													
Capital Outlay													
Other													
<b>Total Community Development</b>													
Kennedy Memorial Building - now included in Recreation													
Salaries and Wages													
Fringe Benefits - Other													
Hospital													
Prescriptions													
Retirement													
Capital Outlay													
Other													
<b>Total Kennedy Memorial Building</b>													
<b>Historical Museum</b>													
<b>Parks Maintenance</b>													
Salaries and Wages													
Fringe Benefits - Other													
Hospital													
Prescriptions													
Retirement													
Capital Outlay													
Other													
<b>Total Parks Maintenance</b>													
<b>Recreation</b>													
Salaries and Wages													
Fringe Benefits - Other													
Hospital													
Prescriptions													
Retirement													
Capital Outlay													
Other													
<b>Total Recreation</b>													
<b>Library</b>													
Salaries and Wages													
Fringe Benefits - Other													
Hospital													
Prescriptions													
Retirement													
Capital Outlay													
Other													
<b>Total Library</b>													
<b>Social Services</b>													
Salaries and Wages													
Fringe Benefits - Other													
Hospital													
Prescriptions													
Retirement													
Capital Outlay													
Boarding of prisoners													
<b>Total Social Services</b>													

City of Lincoln Park  
General Fund

Historical and Projected Financial Operations

	Historical Data					budget 2009-2010	adjusted budget 2009-2010	Future Projected Data						
	actual 2004-2005	actual 2005-2006	actual 2006-2007	actual 2007-2008	actual 2008-2009			2010-2011	2011-2012	2012-2013	2013-2014	2014-2015		
<b>Community Center</b>														
Salaries and Wages	\$ 170,859	\$ 163,428	\$ 8,810	\$ -	\$ 91,397	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fringe Benefits - Other	14,576	16,276	4,044	-	10,454	-	-	-	-	-	-	-	-	-
Hospital	1,080	-	-	-	-	-	-	-	-	-	-	-	-	-
Prescriptions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retirement	8,500	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	22,430	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	231,249	289,757	146,932	133,866	148,989	-	37,246	-	-	-	-	-	-	-
<b>Total Community Center</b>	448,696	469,461	159,786	133,866	250,840	-	37,246	-	-	-	-	-	-	-
<b>Senior Citizens - now included in Recreation</b>														
Salaries and Wages	73,174	-	-	-	-	-	-	-	-	-	-	-	-	-
Fringe Benefits - Other	6,798	-	-	-	-	-	-	-	-	-	-	-	-	-
Hospital	1,727	-	-	-	-	-	-	-	-	-	-	-	-	-
Prescriptions	195	-	-	-	-	-	-	-	-	-	-	-	-	-
Retirement	3,760	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	72,120	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Senior Citizens</b>	157,774	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total cultural and recreation</b>	1,906,111	2,053,575	1,789,851	1,263,446	1,344,060	1,041,212	1,056,779	1,040,918	1,052,692	1,064,695	1,076,934	1,064,695	1,076,934	1,076,934
<b>Total Capital Outlay</b>														
<b>Operating Transfers Out:</b>														
Drug Forfeiture Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sanitation Fund - new	-	117,100	6,993	-	97,083	-	-	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	414,533	-	-	-	-	-	-	-	-	-	-
<b>Total operating transfers out</b>	-	117,100	6,993	414,533	97,083	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	24,211,536	21,355,584	22,731,138	23,354,857	23,951,377	23,352,647	23,490,174	23,442,381	24,899,028	25,416,619	25,963,884	25,416,619	25,963,884	25,963,884
<b>Excess of Revenue over (under) Expenditures</b>	(1,776,360)	(190,302)	89,586	513,963	1,003,144	-	262,478	(3,982,265)	(1,823,299)	(5,220,238)	(5,665,380)	(6,116,298)	(6,116,298)	(6,116,298)
<b>Fund Balance - Beginning</b>	4,225,575	2,449,315	2,615,667	2,705,253	3,219,216	4,222,360	4,222,360	4,484,838	2,661,539	(1,320,725)	(6,540,964)	(12,206,344)	(12,206,344)	(12,206,344)
<b>Fund Balance - Ending</b>	2,449,315	2,259,013	2,705,253	3,219,216	4,222,360	4,222,360	4,484,838	2,661,539	(1,320,725)	(6,540,964)	(12,206,344)	(12,206,344)	(12,206,344)	(12,206,344)

\* 2006 fund balance adjusted from \$2,259,013 to \$2,615,667 to recognize \$356,654 of previous year's drug forfeitures that had been reflected as deferred revenue and should have been reflected as revenue.

Other - Revenue	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Sidewalks	\$ 62,566	\$ 192,844	\$ 88,699	\$ 105,666	\$ 79,800	\$ 25,000
insurance dividend	118,978	147,782	324,211	642,745	365,162	275,000
admin chargebacks	30,000	58,183	91,428	153,863	102,218	67,862
water and sewer chargeback	-	163,046	198,884	315,031	315,031	315,031
Freightliner grant	7,434	74,729	-	90,626	99,637	262,560
Other	245,521	213,862	293,004	90,626	99,637	262,560
<b>Total Other</b>	464,499	850,446	956,226	1,307,931	961,848	945,456

See accompanying Summary of Significant Projection Assumptions.

CITY OF LINCOLN PARK  
FIVE YEAR CAPITAL SCHEDULE

PROJECT NAME	TYPE	DESCRIPTION OF PROJECT	ESTIMATED COST OF PROJECT	FUND	Approved for 2010/2011 Budget	2011/12 BUDGET	2012/13 BUDGET	2013/14 BUDGET	2014/15 BUDGET
Roof Repairs	Project	Repair roofs at DPS, Police Station and Bandshell	\$ 122,000	General	\$ -	\$ 122,000	\$ -	\$ -	\$ -
Computers	Equipment	Replace 3 computers @ Library	2,425	General	\$ -	\$ -	\$ 2,425	\$ -	\$ -
Carpet Replacement	Project	Install new carpeting throughout Library	25,567	General	\$ -	\$ -	\$ 15,000	\$ -	\$ -
Apron Replacement	Project	Replace concrete aprons	32,000	General	\$ -	\$ 10,000	\$ -	\$ -	\$ -
Refrigerator/ Freezers	Equipment	Replace fire dept. refrigerator and freezer	4,665	General	\$ -	\$ -	\$ 4,665	\$ -	\$ -
911 System	Equipment	Downriver wide upgrade of 911 Systems	100,000	General	\$ -	\$ 100,000	\$ -	\$ -	\$ -
Harrison St. Bridge	Project	Replace bridge decking	1,000,000	MaJ/Loc Roads	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -
Basin and Lift/Pump Stations Impr.	Project	Improvements to the Sanitary Basin and Lift Pump Station	300,000	Water/Sewer	\$ -	\$ 300,000	\$ -	\$ -	\$ -
Police Cars (3)	Vehicles	Replace three police cars approved	100,000	Motor Pool	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000
Snow Plows (2)	Equipment	Replace two snowplows with lightweight snowplows for better efficiency	15,000	Motor Pool	\$ 7,500	\$ 7,500	\$ -	\$ -	\$ -
Computer Aided Dispatch	Project/Equip	Centralized Dispatch Prep and OSSI & Firehouse Integration	42,000	IT	\$ 42,000	\$ -	\$ -	\$ -	\$ -
Phone System	Project/Equip	Completely upgrade city phone system	300,000	IT/Cable	\$ 68,000	\$ 68,000	\$ 68,000	\$ 68,000	\$ 55,000
Property Shelving/Storage Organization	Equipment	Install new shelving to better organize the evidence room and allow for bar coding of the evidence Price up to \$45K	45,000	Forfeiture	\$ 45,000	\$ -	\$ -	\$ -	\$ -
Video Arraignement	Equipment	Replace video arraignement equip and outfit to the 25th district court to cable access	12,000	Forfeiture	\$ 12,000	\$ -	\$ -	\$ -	\$ -
<b>GRAND TOTAL OF CAPITAL REQUESTS</b>			<b>\$ 2,100,657</b>		<b>\$ 244,500</b>	<b>\$ 677,500</b>	<b>\$ 1,160,090</b>	<b>\$ 138,000</b>	<b>\$ 125,000</b>

**SUGGESTIONS**

The City has been faced with tough decisions in the past and has done an admirable job of maintaining its fund balance. The City needs to continue to be pro-active in order to maintain the financial viability of the City. The City simply cannot continue to offer the same level of services. In addition to the process suggested in the narrative section of this report, we also offer the following suggestions:

1. **Actively Plan for the Expiration of Special Millages** - The City was fortunate that the voters passed two special millages that have added about \$3 million annually to General Fund revenues. These new millages were successful in offsetting increased expenses in the area of healthcare and pension contributions. They also helped to cushion the blow of reduced revenue sharing payments and overall declines in taxable values which results in less tax revenue. In the short-term, these millages helped to shore up the General Fund, but upon their expiration next year, the fund balance decreases drastically. The City plans to ask voters for a renewal levy on an upcoming ballot.

Even with these new millages, the City taxpayers, on average, will not be paying more than they paid in the past due to declining taxable values. The following chart provides an example based on a 20% drop in taxable value:

Sample Property Value	Taxable Value	Taxes with Special Millages (19.3300)	Taxes without Special Millages (15.5209)
\$90,000 (old value)	\$45,000	\$870	\$700
\$72,000 (new value)	\$36,000	\$700	\$560

2. **Consolidation of Services** - Consolidation can be a viable service preservation strategy. Consolidation options include not only neighboring governmental units, but also the Lincoln Park School District, the County and in some instances, the State. We recognize that consolidation requires an up-front investment in studying options and working through agreements. This is best accomplished during good times and is increasingly challenging during bad times. However, the City can take steps in the right direction and test out some consolidation initiatives by identifying services that are important but not essential to start with and to achieve initial success. Consolidation requires similar service philosophy for successful implementation. Meet with your neighboring governmental units to target viable service areas for consideration. Look for a “win-win” solution for everyone – each party must have something to gain in order to participate. The City should continue its efforts in this area and also consider other types of joint ventures or consortiums, for such services as the library, recreation programs, police, fire, senior activities, police dispatch, court, animal shelter, DPW, building department etc.
3. **Privatization** - Some communities have found that there are private companies that can perform needed services in a more cost-efficient manner, especially if the level of activity is not steady.

One example is the building department. Currently, the building department fees do not cover the current costs of the department. The shortfall in fiscal year 2009 was once again in excess of \$100,000 and the cumulative shortfall is over \$900,000. In any event, the City should look at increasing these fees to cover the costs of the department. The City should also evaluate whether cost reductions in the department could be achieved such as reducing the number of days or hours building permits are available for purchase.

4. **Regionalization** – Similar to consolidation, but on a larger scale, regionalization can benefit the entire Downriver area. Services that could be regionalized include recreation, court services, police dispatch, senior activities, library services, motor pool, buildings and maintenance, etc.
5. **Special Millages** - By the special millages for police and fire and the library passing, the City has seen that residents value these services and are willing to pay additional taxes to ensure continued service levels. The City should consider what other types of services the City will need to cut in the near future if the budget picture does not get any better. For example, residents might be willing to pay a special tax for recreation or senior services.
6. **Road Millage** - The City should consider asking the voters to approve another road millage. The previous road millage expired several years ago. The City's ability to levy for much-needed road improvements can help avert a potential drain on the City's General Fund. The prior millage generated close to \$2 million annually for road construction.
7. **Health Care** – Several years ago, the City had some money set aside in the Retiree Health Care Fund for the coverage of retirees. The City had been making regular contributions to this fund, but has had to dip into this fund in fiscal years 2006, 2007, and 2008 to pay for retiree health care. At this point, the fund is depleted and Lincoln Park no longer has any prefunding assets. All current and retired employee premiums are having to be funded out of current resources, which are dwindling. Suggestions for keeping healthcare costs under control include the following:
  - Health care benefits can be tied to the years of service. For instance, if an employee retires at 25 years versus 30 years, they would have a lower percentage of their premium covered during retirement.
  - Employees could be asked to contribute a certain percentage of their pay into the healthcare plan versus paying a flat dollar amount toward the premium. This method is sometimes seen as more equitable.
  - Consider having employees contribute a certain percent of the premium. For instance, everyone pays 20% of the premium versus a flat dollar amount. In this way, the City is not fully on the hook for premium increases.
  - Consider whether self-insurance might be less expensive than a fully insured plan.
  - Consider offering a basic healthcare plan with an option for a more comprehensive plan. The employees would pay the difference between the two plans.

The City has already taken some positive steps including a new health savings account for new hires and a newer prescription drug plan.

8. **Sale of Underutilized Assets** – Does the City have any assets that it can sell to generate funds? Does the City have any assets that are prominent enough that someone would be willing to pay to advertise on them or obtain naming rights?
9. **Grant Revenue** - In the past, the City has been appropriately aggressive in identifying services or capital projects that qualify for grant funding. Using CDBG funds to offset General Fund expenditures helps to preserve the General Fund fund balance. Also, there are many grants, both state and federal, that can be used towards police expenditures. Stimulus funds were recently made available for fire station projects. We encourage the City to look to future Stimulus funding for community needs.
10. **Process Redesign** - The City may also want to consider having a “process redesign” study done that could help point out areas of overstaffing. Process redesign looks at the tasks that are performed and looks for ways to perform them more efficiently by using technology, networking, etc.
11. **Streamline Functions** – would it be practical to combine clerical functions into one General Service Internal Service Fund? Would it make sense to have a “one-stop” shop at City Hall where one person answers the phones and mans the front desk? This person could be trained to answer most general questions and also to get certain processes started and directed to the proper department.
12. **Red light Camera Program** – has the City investigated installing red-light cameras that could help to generate speeding tickets without the cost of patrolling? The City of Cleveland instituted this program with much success.
13. **Accident Recovery Fees** – The City has implemented a \$250 charge for alcohol related accidents in recent year. Has the City considered charging for police presence at the scene of other types of accidents?
14. **Insurance** - As you are aware, insurance costs have skyrocketed in recent years. Cities were used to high increases in healthcare coverage, but now even general liability coverage is increasing at an alarming rate. The City should consider an overall insurance review to identify potential cost savings. The City has taken steps in the area of prescription drug coverage by separating this from the hospitalization plan and entering into an agreement for the prescriptions which will hopefully save costs.
15. **Cafeteria Plan** - Options to reduce overall fringe benefit costs often exist with the implementation of a cafeteria plan. This gives employees a flat dollar amount to choose between a variety of benefits, ensuring that they only select the benefits that are most used by them.
16. **Compensated Absences** - Your current liability for sick and vacation payouts upon termination is about \$2,000,000. Cities can save money by accounting for these accumulations in terms of dollars versus hours.

In this way, the payout is made at the individual's hourly rate at the time they earned the hour, not at the rate they are making when they terminate employment. This is also an incentive for employees to use this time versus building it up.

17. **Outside Contractors** – The City has awarded contracts for mowing, tree trimming, etc. Have outside contractors been considered for additional services such as property assessing, planning, custodial, security, street sweeping, snowplowing residential streets, etc?
18. **Tax Captures** – The DDA currently captures approximately \$275,000 in City operating taxes. If the City wanted to use DDA captures for infrastructure or general operations outside of the DDA district there are a few options. A rebate of past tax captures would share the capture taxes back to original taxing units. The DDA had over \$1 million in unrestricted net assets at June 30, 2009 that could be used for shared rebates. Additionally, the City could modify the capture agreement going forward to reduce the amount captured from the General Fund. The City could also work with the DDA to look for opportunities where the DDA could make capital contributions (i.e. road construction, building improvements, etc) to the City within the eligible DDA area.
19. **Allocation of Administrative Costs** – The City already allocates a portion of the administrative services provided by the General Fund to other funds. These fees should be evaluated annually to ensure the maximum allowable amounts are allocated to other funds, many of which have outside funding sources.
20. **Additional Grant Funding** – The City could look for ways to aggressively seek new grant funding to alleviate some of the burden on other City funds. Some cities have hired grant consultants to identify potential grant funding.
21. **Reductions in Non Essential Services** – Without additional revenue sources (such as special tax millages) the city will likely be faced with eliminating non essential services. Citizen task forces could be organized to prioritize items such as recreation, senior citizen activities, snow plowing, street sweeping, grass mowing, etc.
22. **Community Pool and Other Recreation Services** – The neighboring communities of Southgate and Allen Park have new recreation facilities. Both include ice arenas and Southgate also has a new community aquatic center. The City may want to approach these communities about usage agreements. Likewise, there may be an opportunity to form a recreation commission with joint communities to share these types of facilities. Lincoln Park, like many communities, has viewed recreation as a community service. However, with revenue dwindling and critical services being impacted, it would make more sense these days to analyze each recreation function to ensure that the fee structure results in sustainable cost recovery.
23. **Control Overtime Costs** – the City could undertake an overtime study to point out opportunities to revise schedules to avoid overtime.
24. **Employee Contracts** – the key to balancing the budget is going to be the City's ability to enter into contracts that are fair and reasonable.

Across the nation, deferral of scheduled pay increases, wage freezes, furlough days, higher pension and healthcare contributions are the norm. We encourage the City to review longevity provisions, gun and clothing allowances, etc.

25. **Employee Costs** – since wages and fringe benefits are such a large portion of the budget, the City may need to consider reducing the size of the workforce or asking for wage concessions.
26. **Garbage Collection** – tax revenue generated for rubbish collection fell short of the total expense for fiscal year 2009. If costs are not able to be reduced the City will have to consider raising the millage or making major modifications to collection schedules (i.e. bi-monthly rather than weekly collection).
27. **Consolidation of City Buildings and Space** – the City could consider closing buildings and consolidating office space to cut costs.
28. **Payment in Lieu of Taxes** – the City should review its tax rolls for exempt use properties. It is not enough for a property to be owned by a not-for-profit entity. The property also needs to be used for their exempt purpose. If not, these parcels should be considered for taxation purposes. In addition, if the City has any not-for-profit entities that it provides a considerable amount of service to, a payment in lieu of tax agreement should be considered.
29. **Personal Property Tax** – Personal property taxes are reported by property owners on the “honor system”. The City should do periodic audits of the amounts reported on personal property tax forms to ensure that the taxpayers are accurately reflecting all property.
30. **Pension Contribution** – It is interesting to note that only 21% of the working population of the nation has a defined benefit pension plan. This figure is decreasing at a rapid rate as defined benefit plans become viewed as an expensive fringe benefit. That being said, there are steps the City can take to control these costs, including the following:
  - **Assumption Review** – The City should consider discussing the assumptions used in the pension actuarial report with the actuary. It is noted that the salary increases are assumed at 4% to 7.8%. Salary increases have not been this high. This could translate into a lower City contribution.
  - **Raise Retirement Age** – The City could consider raising the number of years it takes to earn a pension or increasing the age necessary to retire.
  - **Revise the Benefit Formula** – The City could change the calculation of Final Average Compensation or the benefit multiplier through union negotiations.